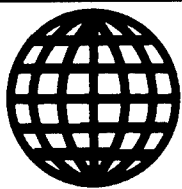


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29 JUNE 1990



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# **East Europe**

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# East Europe

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## BULGARIA

### Bulgarian National Agrarian Union Announcements

#### BZNS Program

90BA0124A Sofia ZEMEDEL'SKO ZNAME  
in Bulgarian 6 Apr 90 pp 3-4

[Program of the Bulgarian National Agrarian Union accepted at the 36th Special Congress in Sofia on 1 March 1990]

[Text] The Bulgarian National Agrarian Union is one of the oldest and most authoritative parties in the country; it is deeply rooted in Bulgarian rurality and has great influence among working people and conscious responsibility for Bulgaria's future. The Union fights to build our native land as a democratic and parliamentary country with developed economy, agriculture, and rich cultural life for the people.

In the spirit of its brightest traditions and democratic ideals, true to the legacy of its founders and organizers, the Bulgarian National Agrarian Union is an autonomous and independent political party, with its own distinctive platform on political, economic, and cultural issues. Through its international activities, it works to strengthen peace, understanding, and cooperation among all countries and people of the world.

The Bulgarian National Agrarian Union's program reflects the organization's rich historical and ideological heritage. On the basis of government by the people, it guarantees the Agrarian Union's political goals and tasks, serves the needs of unionized agrarians, and is called to serve the entire nation's interests.

#### I. HISTORICAL PATH

The Bulgarian National Agrarian Union emerged at the end of the last century, two decades after the liberation from Turkish domination, under the conditions of fully formed party structures and interrelationships. Its ideological beginning was marked by "The Calling," written by Tsanko Bakalov Tserkovski and published on 10 December 1899 in the ZEMEDEL'SKA ZASHTITA [Agrarian Defense] newspaper, while its organizational beginning occurred at the First Agrarian Congress, which took place 28-30 December of the same year in Pleven. The Union's charter was approved, and the first chairman, Yanko Zabunov, was elected at this congress.

The Agrarian Union emerged as a trade and economic organization that had "the goal to look after the farmers' intellectual and moral advancement, improve agriculture and its related fields" (Article 1 of the charter) in Bulgaria, and improve the peasants' situation. Shortly after its congress, however, the Union was forced to declare itself against the desyatuk [tax equivalent to one-tenth of each farmer's annual production] and start an acute and bloody struggle (the events in Krasen,

Trustenik, Durankulak, and Shabla) with the government. For this reason, compelled by history, it started to exist and act from the very first day onward, not only as a trade and economic organization, but also as a political party. It distinguished itself as a political force and, in the legislative elections of January 1901, won 23 seats, thus entering the National Assembly with dignity.

Two important decisions were made at the 3d Congress (12-14 October 1901 in Sofia): First, to be transformed into an "educational, political, and economic organization" (Article 1 of the new charter), and second, to add the word "National" to "Bulgarian Agrarian Union," its previous name.

At the 4th Congress (5-8 October 1902 in Shumen), Dimitur Dragiev was elected chairman instead of Yanko Zabunov, and the Union's headquarters were moved to Stara Zagora from Pleven. The name of the newspaper, ZEMEDEL'SKA ZASHTITA [Agrarian Defense], was changed to ZEMEDEL'SKO ZNAME [Agrarian Flag] at this congress. Sofia did not become permanent headquarters for the Bulgarian National Agrarian Union until after the 9th Congress (8-10 November 1907 in Plovdiv).

The Bulgarian National Agrarian Union became a true political party after 1908-09, when Aleksandur Stamboliyski's figure became prominent and dominant, and when political struggles against the monarchy and bourgeois parties were started. During the wars (First Balkan War, Second Balkan War, and World War I), which brought the country to two profound national catastrophes (in 1913 and 1918), and, especially, during the Soldiers' Uprising and Radomir's Republic (1918), the Bulgarian National Agrarian Union took shape and imposed itself in people's consciousness as a strong fighting organization, which defends not only the peasants' class interests, but also the political rights and freedoms of all Bulgarian people. The Bulgarian National Agrarian Union's antimonarchy and antiwar policy won many supporters from the broad masses of people, and many enemies from the political and economic establishment of the country. The supporters, however, were more numerous, and, for this reason, the Union won the parliamentary elections of 15 March 1920 and formed the first independent agrarian government.

The Bulgarian National Agrarian Union's independent government (20 March 1920-9 June 1923) was a period of great political, organizational, and moral trials. During that time, the Union implemented notable political, economic, social, and cultural reforms. A number of laws with strong democratic nature were passed; thus, the Union proved, in fact, that it was a mature political party, capable not only of fighting in opposition, but also of governing; a party for which democracy, people's well-being, and national progress are fundamental and most important principles.

The monarchist and fascist takeover on 9 June 1923 left the Agrarian Union without leadership but was unable to

destroy it. Neither the mass intimidations afterwards nor the political massacre following the bloody years of 1923 and 1925 were able to crush it. The Union's thousands of casualties in the June and September uprisings in 1923 proved that it was a strong fighting organization. Internal discord (about ideological and leadership base) increased in the Bulgarian National Agrarian Union, and it started to divide and split, especially after the Union entered the National Block government (1931). In 1932 it formed the Aleksandur Stamboliyski BZNS [Bulgarian National Agrarian Union], known also as the Pladne [Noon] BZNS, led by Dr. G.M. Dimitrov, as opposed to the Vrabcha 1 BZNS, led by Dimitur Gichev, which participated in the bloc. In the beginning of 1934, in addition to the two major factions, four smaller ones emerged that debilitated the Union and created conditions for the success of the coup in 1934 and the establishment of military and fascist dictatorship, and later for the monarchial institution's domination of the country's political life.

The fighting forces of BZNS, led by Dr. G.M. Dimitrov and Nikola Petkov, continued the fight with legal means, even though political parties were outlawed after 1934. The Union joined the People's Front, participated in the 1938 elections for the 24th National Assembly, and won nine seats, six of which were canceled. After Bulgaria joined the Rome-Berlin-Tokyo axis in 1941, Dr. G.M. Dimitrov, BZNS secretary, signed a manifesto calling the people to resist. Bogdan Filov's government resorted to arrests and repressions that forced part of the most prominent agrarian leaders to emigrate and others to go underground. Nikola Petkov remained in the country and, in 1943, became one of the cofounders of the Fatherland Front, which led the bloody fight to break the union with Germany and topple the monarchial and fascist government.

BZNS participated in the Fatherland Front government formed in 1944 with four ministers.

After 9 September 1944, the international situation and the relationship among powers predisposed for a new and more substantial, even fatal, division of the Bulgarian National Agrarian Union. One faction, led by Aleksandur Obbov and Georgi Traykov, joined the Fatherland Front government, while the other, led by Dr. G.M. Dimitrov and, after January 1945, by Nikola Petkov and Dimitur Gichev, did not recognize the leading role of the Bulgarian Communist Party and its monopoly in government, left the government and remained in the opposition. This division of the Union caused some difficult consequences for the opposition faction. Thousands of agrarians were detained, sent to camps and prisons, and subjected to repression, while others were put to death. Many lost their jobs or were ignored, their families became destitute, and their children were left without educations. Others had to leave the country and spend many years as emigrants. The fundamental Bulgarian moral principles and values were devalued in the name of imposed illusionary ideas and goals.

A special place in the historical course of the Bulgarian National Agrarian Union is occupied by the 27th Congress (1947) and the Supreme Union Council meeting on 30 October 1948. At these two "notable" forums there was a break from the true ideas of Aleksandur Stamboliyski, and a false path was followed, after which the Union completely lost its identity. After 1948 the Bulgarian National Agrarian Union lost its political independence and started to exist under the influence of another political party. This was the time when, in spite of all its democratic principles and fighting traditions, the BZNS even gave up its own program. By its subordinate position and blind obedience, it became an accessory to the difficult political, economic, and moral crisis affecting the country.

The Bulgarian National Agrarian Union has now awakened from its profound political lethargy and is making the first decisive steps of its revival as an independent organization and real political force, capable of fulfilling its great potential of building a democratic Bulgaria for the good of all Bulgarian people.

## II. GOALS, PRINCIPLES, TASKS

The Bulgarian National Agrarian Union's fundamental goal is to develop Bulgaria as a parliamentary country governed by the people and to create a high-level, both culturally and materially, society—a society of individuals who are free to express themselves and who have guaranteed and protected equal rights.

It will seek this fundamental goal when it is the ruling party as well as when it is in the opposition.

The Bulgarian National Agrarian Union is a nationwide democratic party with active participation in public and political life and with total openness and glasnost of its activities, with ample capability for association with various social movements and for cooperation and coalition with other progressive political and social forces.

The Bulgarian National Agrarian Union follows the fundamental principles formulated by its founders and confirmed by its long history. At the same time, the Bulgarian National Agrarian Union continuously enriches its program, principles, and work methods according to current problems of social development. In this respect, the Bulgarian National Agrarian Union is a dynamic political organization of committed builders of modern society.

The Bulgarian National Agrarian Union follows the following fundamental principles and tasks in its activities:

- Creates conditions and guarantees to protect human rights and self-expression and individual security and respect for every person, regardless of his political, ideological, or religious affiliation.
- Recognizes freedom of religion.

- Confirms government by the people and the constitutional and parliamentary type of government as the only true way to build a democratic and rule-of-law state.
- Supports self-government of the obshtinas and other territorial units.
- Supports cooperation in everything as a form of creating material goods in the manner of uniting people's efforts and creative abilities, for the development of a sense of solidarity, discipline, responsibility, and humaneness.
- Elevates the ties between man and the land as a supreme form of attitude toward the world and mankind's future, and fights for a highly developed agricultural economy, for utilization of the earth's resources in a manner compatible with nature and according to the interests of the state, mankind, and future generations.
- Fights for development of the national economy according to the country's natural and historical resources, with the possibility of equal and efficient cooperation within the country as well as with economic structures abroad.
- Defends the right to ownership of one's own labor in all fields of social activities.
- Supports the activities and independent development of youth in the Agrarian Youth Union (ZMS) and the Academic Agrarian Youth Union as a way to promote acceptance among generations.
- Works to invigorate Bulgarian rurality and its active participation in the social progress and development of a rich cultural life for its people.
- Participates in the preservation and development of Bulgaria's national identity, and for the expression of Bulgarian national traditions and unity of the Bulgarian nation.
- Elevates love and loyalty for the Fatherland as man's supreme virtue.
- Participates actively in the process toward lasting peace all over the world and toward settlement of all disputes only through peaceful means.
- Works for the development of friendly active and multilateral relationships between Bulgaria and the other countries of the Balkans, Europe, and the world.
- Decreases military spending to a sensible sufficiency on the basis of defensive military doctrine.

### III. SOCIAL AND STATE STRUCTURE

The Bulgarian National Agrarian Union supports:

- A parliamentary democratic republic.
- A head of state elected directly by the people.

- Legislative, executive, and judicial powers independent of one another.
- All legislative power to belong to the National Assembly.
- The National Assembly to be the continuously active supreme body of state government.
- The executive power to be exercised by bodies directly elected by the National Assembly, which would be responsible to it.
- A two-term system for elected positions.
- Judicial power that would obey only the law.
- Guaranteed stability and independence of judicial bodies.
- Formation of a Constitution Court for the National Assembly.

#### For a Multiparty System

The Bulgarian National Agrarian Union supports a multiparty system. All political parties must have constitutionally guaranteed independence and equal rights. Their influence on the country's development must depend only on the will of the people. The level of participation of each political force in the state government must be proportional to the received vote of confidence through free direct elections by secret ballot.

The Bulgarian National Agrarian Union recognizes and welcomes all political and democratic forces and movements that work for the good of all people, and is ready for equal political cooperation. It supports the prohibition of political parties and organizations with fascist and totalitarian ideology.

The Bulgarian National Agrarian Union supports:

- Separation of parties from state government.
- Organization of political parties on the territory principle, where membership is according to place of residence.
- Full independence for political parties and depolitization of the Ministry of Internal Affairs, the Ministry of National Defense, the courts, the prosecutor's office, television, radio, and the Bulgarian Telegraph Agency.

#### About the Supremacy of the Law and Equality for All Citizens

The Bulgarian National Agrarian Union is:

- For equality of all citizens before the law.
- For the supremacy of the law.
- Against the death penalty.

The Bulgarian National Agrarian Union is for civil penal liability for all who use their work or party position for

personal benefit, and whatever they have obtained illegally will be returned to the people.

The Agrarian Union is for free expression of opinions and points of view, and for glasnost in all spheres of social and political life.

The Bulgarian National Agrarian Union is for independent and objective socioeconomic information and for guaranteeing its glasnost.

The Bulgarian National Agrarian Union is for the right to public protest and the right of the citizens to strike against political, economic, and social injustices in life, within the limits of the law.

#### IV. ECONOMIC POLICY

##### **For a Radical Democratization of Economic Activities on the Principles of a Market Economy; for a Priority Development of the Rural Economy**

The Bulgarian National Agrarian Union is for a free, efficient expression for all economic elements. State intervention in economic activities is to be limited only to: the basic directions and rates of scientific-technical development; the development and orientation of the raw material, food, and foreign exchange reserve of the country; ensuring protection for the socially disadvantaged strata of the population; determining the basic levers for economic influence (taxes, tariffs, exchange rates, price and wage control); guaranteeing international commitments.

The Agrarian Union is for:

- An open, socially oriented market economy.
- Priority development of the rural economy, the food and light industry, the tourist industry, and divisions producing consumer goods and services for the population.
- An industrial-development policy appropriate to the natural, climatic, and raw material resources of the country.
- Resource-conserving economic growth, modernization of equipment and technology, and public production restructuring.
- Stable internal market and balance between the people's monetary incomes and consumer goods reserves and services.
- Stable and balanced financial policy and a market-based banking system.

##### **Property as a Fundamental Economic Issue**

The Bulgarian National Agrarian Union considers that the property issue can be settled only if true socioeconomic and legal guarantees for equal existence and full expression of all types of property are ensured:

—*Private* property: family businesses, collectives, partnerships, and individually owned firms by citizens.

—*Cooperative* property.

—*Obshtina* property: common pasture lands, real estate, obshtina enterprises, and others that higher state organs have no right to administer.

—*State* property: the law determines which properties are exclusively state property.

—*Mixed* property: state and cooperative, obshtina and cooperative, state and private, and obshtina and private, with the structure of joint-stock companies. Cases in which foreign companies and foreign citizens may participate in joint ventures will be defined by law.

The Bulgarian National Agrarian Union supports privatization of state property to such a level and in such a manner that would lead to the most efficient utilization of existing public wealth and other means of production.

The Agrarian Union defends constitutional guarantees for the inviolability of private property and for the formation and development of small and medium-sized obshtina, mixed, and private enterprises. The conditions for their formation, activities, and size will be determined by law.

##### **On the Revival of Rurality and Efficient Agricultural Production**

The Bulgarian National Agrarian Union is convinced that social progress, material and spiritual well-being of the people, and a strong and independent country are impossible without the revival of rural areas. To accomplish this, it is necessary:

- To implement agrarian reform that would return land to its owners or their heirs, who wish to till it privately. There should be complete freedom to enter or leave TKZS [Labor Cooperative Farm] or to form all types of cooperative partnerships.
- That priority social, economic, life-style, and spiritual development of Bulgarian rurality, and rural areas will have modern agriculture and highly efficient machinery and technology, and farmers will be owners of their labor and the goods they produce.
- To revive and strengthen the organization of cooperative movements, and to enrich their content and form of expression (production, consumer, and credit and savings cooperations).
- To secure economic and legal guarantees for everyone who dedicates his life to the land in private and cooperative farms, leasing relationships, and economic partnerships.
- To form a mixed rural economy, with equal rights and integration of all types of property.

- To redirect significant production forces to produce heavy, medium, and small-scale equipment, and fertilizers and substances for agricultural and animal farming as necessary for the rural economy.
- To form a unified state veterinary medicine and agrochemical service.
- To increase the agricultural sciences schools' network.
- To develop and apply innovative agrarian policy to restore and fully utilize poorly developed and backward rural regions.
- To establish a stimulating and socially just price, tax, tariff, and credit policy.
- To eliminate the monopoly of purchasing organizations and to establish realistic conditions for widespread application of the contracting system in purchasing and placing agricultural products.
- To create conditions for efficient development of rural areas' economic and social infrastructure and accelerated reproduction of the population.

#### V. ECOLOGICAL POLICY

The Bulgarian National Agrarian Union supports an environmental protection policy for the country, directed toward conservation of our common home, the Earth, so that humanity may be saved.

##### **For Harmonious Interrelationships Between Society and Nature**

This requires:

- Harmonizing the society-nature relationship on the basis of ecologically sound production in society. Transition from a nature-destructive toward a nature-protective economic system.
- A realistic evaluation of existing industrial entities' effect on nature, especially in energy generation, and implementation of programs to promote ecologically sound manufacturing, and, if necessary, the closing of plants.
- Guarantees to conserve the soil from erosion, to prevent the dumping of salts and toxic substances in soil, and excessive use of chemicals in agriculture.
- Compulsory ecological expert analysis of every project for industrial enterprise, electric power plant, highway, artificial water reservoir and so on, and, in the case of large-scale projects harboring dangers for nature, discussions in the mass communications media.
- Radical ecology-related legislation.
- Personal criminal and administrative liability for ecology-related crimes and violations.

- Formation of a national system for ecological monitoring and to guarantee the objectivity and glasnost of information regarding the condition of the air, water, soil, and agricultural production and regarding possible adverse effects on human health or the environment.
- Educating the population regarding ecology and setting up a specialized educational program in learning institutions.
- An environmental protection organization to protect and develop forests and to plan a scientific strategy for ecology development.

#### VI. SOCIAL POLICY

##### **For Elevating the Material, Spiritual, and Social Well-Being of the Bulgarian People**

The Agrarian Union supports the guaranteeing of:

- The right to freedom of work and fair wages, wage organization system that would elevate the prestige of all types of useful work, elimination of all types of privileges that do not come as a result of work.
- Material insurance within the minimum living standard in the case of illness, or temporary or permanent work disability.
- Social, legal, and material conditions to improve and strengthen the Bulgarian family, to elevate the role of women as mothers and wives, for the nation's growth, and for children's education.
- A socially just system to encourage an increase in the birthrate, exercising the necessary care to bring up children with the participation of state, community, and cooperative resources.
- Legislative protection, and social and moral recognition of motherhood.
- Legislative protection of children's rights.
- Depolitization of children's movements and organizations.
- Equal opportunities for high-quality education for children and young people from villages and cities.

##### **For a Clean Environment, Normal Work and Rest Conditions, Effective Food Service, and Harmonious Interpersonal Relationships**

The Bulgarian National Agrarian Union is for:

- A health service that takes into consideration democratic principles, equality, and humane treatment, and ensures health, high vitality, and long creative lives for the people.
- The development of mass physical education, the building of sports facilities for public physical education, and the development of tourism.

- A socially just system of pension insurance for the population, with equal conditions for retirement for city and village workers alike.
- Aid for the socially disadvantaged population strata, orphans, the handicapped, and the elderly living alone, through state organized entities and charity activities.
- The conditions for the utilization of all forms of housing construction and fair distribution of state housing; free market for private homes.
- The introduction of a unified progressive income tax on all incomes of the citizens and tax breaks for the socially disadvantaged, people with many children, and those who perform heavy or hazardous labor.
- The required declaration of properties and incomes of state and political activists, as well as all those in high-financial responsibility, control, and management positions, both when assuming and when leaving the positions.

The Bulgarian National Agrarian Union supports state regulation of consumer prices of goods and services according to the magnitude of inflationary processes. On the basis of this, incomes (wages, pensions, scholarships, social assistance, honoraria, and so forth) will be adjusted periodically.

The Bulgarian National Agrarian Union supports freedom of association for the protection of professional interests.

## VII. SPIRITUAL AND MORAL DEVELOPMENT

The Bulgarian National Agrarian Union supports the elevation of moral and spiritual virtues of Bulgarians for the creation of such living and working conditions that would guarantee full expression of the creative abilities of the Bulgarian people so that each can be useful to himself and his native land.

The Bulgarian National Agrarian Union supports the achievement of the following objectives:

- The confirmation of common human values: humanness, faith, hope, love, wisdom, brotherhood—either in their unity or diversity as significant traits of the Bulgarian people's morals and mentality.
- The protection and development of a national identity in the Bulgarian spirit, the conservation of national traditions, the protection of our people's cultural riches, and an individual contribution in the spiritual processes and contemporary civilization.
- The right to access and choice in creating and using cultural riches, free creative expression for everyone, equal access to education, cultural riches, science, the freedom to discover talent and to space for the expression of such talent.

To accomplish these objectives, the Bulgarian National Agrarian Union will work continuously and steadfastly.

### **For Guaranteed Freedom of Speech, the Press, and Information**

The Bulgarian National Agrarian Union supports legislative and social protection for intellectual property according to international standards and agreements, and Bulgaria, with its example, will transform into their eager promoter.

The Bulgarian National Agrarian Union is for free choice and access to the information media: newspapers, radio, television, book publishing, archives, computers and other electronic media, for the free and independent distribution of the press without limits on circulation.

The Bulgarian National Agrarian Union is for democratic organization of the press and book publishing, where all types of properties will exist equally; for equal access to printing and publishing; for freedom of the types and methods of printed matter distribution.

The Bulgarian National Agrarian Union is for a loyal competition among publishing enterprises and promotes society's interest as the fundamental factor in book publishing. It is for purposeful encouragement of the national literature development.

### **For Free and Total Expression of the Artistic and Creative Intelligentsia as a Way To Preserve and Develop the National Identity of the Bulgarian Spirit**

The Bulgarian National Agrarian Union is for creative freedom of the individual, for a free relationship between the artist and the users of his creations inside and outside the country.

The Bulgarian National Agrarian Union is for independence and depolitization of artists unions and cultural institutes. It is for freedom for their creative plans.

### **To Include Our Cultural Heritage in Contemporary Bulgaria**

The Bulgarian National Agrarian Union is for scientific recognition and the preservation of Bulgaria's cultural and historical heritage. It is for state control of the security of cultural monuments.

The Bulgarian National Agrarian Union is for a calendar that recognizes traditions to observe generally acknowledged holidays such as Christmas, Easter, and others. It is for the revival of local fairs and the rituals related to the land and work. It fights for upholding family holidays and their related ceremonies.

The Bulgarian National Agrarian Union is for independence, originality, and the individual image of every public library. The obshtinas and municipalities will take care of the library facilities and supply them with modern equipment to transform them into cultural centers.



**For Total Democratization of Science and Education and Their Updating According to the Most Advanced World Trends**

The Bulgarian National Agrarian Union is for the creative independence of scientific institutes, and for mutual dependency between scientific accomplishments and their economic effectiveness and applicability.

The Bulgarian National Agrarian Union supports depolitization of the education process, for the self-administration of learning institutions, for the establishment of various auxiliary types of support in child care and education such as: state, cooperative, and private nursery schools, specialization courses, study groups, and so on, in different subjects, including foreign languages.

The Bulgarian National Agrarian Union is for diversity in learning institutions, coordinated with state regulation of education activities; for the guaranteed right of choice of learning institutions, programs, and teachers; for variation of textbooks and study plans.

The Bulgarian National Agrarian Union supports strengthening the social position of teachers. It is for opportunities for creative and social expression; participation in cultural and community activities; and free, creative teachers associations.

The Bulgarian National Agrarian Union is for the free selection of teachers and specialties according to the elective principle.

The Bulgarian National Agrarian Union is for increasing the patriotic education of children and young people in the spirit of national values and ideals.

The Bulgarian National Agrarian Union is for autonomy and territorial inviolability for higher learning institutes, for their own rules in accepting students, for a gradual transition toward an individual style of teaching special subjects, and for the elimination of all types of privileges.

**VIII. FOR THE NATION**

By upholding the principle for true government by the people in Bulgaria, and by leaning on the Bulgarian people's traditional moral virtues, the Bulgarian National Agrarian Union is convinced that national well-being will be achieved only through the efforts of all Bulgarian people, regardless of religious or political convictions.

On the basis of present historical realities and in the spirit of its fundamental principles:

—The Bulgarian National Agrarian Union defends Bulgaria's national independence, interests, and sovereignty.

—The Bulgarian National Agrarian Union values highly the consideration of every citizen's individual dignity, and equal rights and responsibilities for everyone.

—The Bulgarian National Agrarian Union works to strengthen the Bulgarian people's national awareness, to confirm their traditions and customs for respect and the protection of Bulgaria's historical past. The BZNS is against using the national issue to accomplish left-wing party goals.

The Bulgarian National Agrarian Union supports the application of the Charter for Human Rights to all Bulgarians, regardless of their places of residence, to establish free contacts with the Fatherland, and to maintain their national awareness as Bulgarians.

The Bulgarian National Agrarian Union is against all manifestations of religious fundamentalism and separatism directed against Bulgaria's national unity and territorial integrity.

The Bulgarian National Agrarian Union is against making decisions on the national issue outside the National Assembly.

The Bulgarian National Agrarian Union separates itself from all decisions made to the detriment of the Bulgarian people's national interests.

The Bulgarian National Agrarian Union recognizes the right of historical science to develop and promote the truth regarding the national issue.

**IX. BULGARIA AND THE WORLD**

The highest goal in the activities of the Bulgarian National Agrarian Union is the protection of Bulgaria's sovereignty, territorial integrity, and national interests. The Agrarian Union is for an active and open foreign policy of the country directed toward understanding and friendly neighbor relations with the Balkans, Europe, and the world.

The Bulgarian National Agrarian Union is for equal and mutually beneficial political and economic cooperation with all countries with democratically structured societies.

The Bulgarian National Agrarian Union is for the establishment and development of useful trade, economic, and cultural contacts between Bulgaria and other countries.

The Bulgarian National Agrarian Union supports following all international agreements that are not against our national interests. It is for exact and unconditional adherence to the International Charter for Human Rights.

Through its international activities, the Bulgarian National Agrarian Union is for the establishment and maintenance of friendly relations with democratically progressive political parties and movements in the Balkans, Europe, and the world in the name of peace, understanding, and social progress.

The Bulgarian National Agrarian Union is against war and accepts peace as the highest and most valuable benefit in the relations among countries and people. It is against dividing Europe and the world into military blocs and is for the establishment of a European community.

The Bulgarian National Agrarian Union supports the activities of the OON [United Nations] to strengthen international cooperation and preserve world peace.

### BZNS Charter

90BA0124B Sofia ZEMEDEL'SKO ZNAME  
in Bulgarian 6 Apr 90 p 4

[Charter of the Bulgarian National Agrarian Union]

[Text]

## I. NATURE AND GOALS

**Article 1.** The Bulgarian National Agrarian Union is a democratic party that acts strictly in accordance with the country's Constitution and laws.

The Bulgarian National Agrarian Union carries out its activities on the basis of its own political program.

**Article 2.** The Bulgarian National Agrarian Union works for the well-being, for the moral and spiritual development of the Bulgarian people, and for every citizen of the Fatherland.

**Article 3.** The Bulgarian National Agrarian Union works for the economic prosperity of the nation; for the revival of Bulgarian rurality; for the development of a modern rural economy; for equality in private, cooperative, and state property; for the ecologically sound economic policy of the country.

**Article 4.** The Bulgarian National Agrarian Union is for: peace, democracy and social progress; government by the people; participation of every citizen in community and state government; elected government bodies; a constitutional and parliamentary form of government; equal rights and duties for all citizens; intolerance for any privileges in society and the country; strengthening the Bulgarian people's ethical and moral virtues; and national unity.

## II. MEANS FOR ACCOMPLISHING BZNS'S GOALS

**Article 5.** The Bulgarian National Agrarian Union uses all parliamentary and other political and social methods, forms, and means in its activities, by:

- a. Strengthening the existing agrarian association and forming new ones.
- b. Participating in the government of society and the country alone or with other parties, social organizations, and movements.

c. Taking the opposition stand when the interests of the people and the Union require it.

d. Proposing Union members as candidates in elections for local and central government bodies, in the leadership of social organizations and movements. Giving the necessary help and assistance to Union representatives, hearing periodic reports about their activities, and proposing their recall when they do not measure up to the trust vested in them.

e. Acting to pass laws and other regulatory acts in the spirit of the BZNS program and acting for strict enforcement of the law.

f. Working to strengthen and develop cooperative organizations and associations and all types of economic initiatives.

g. Assisting the political, professional, moral, and cultural growth of associated agrarians as individuals with high civic virtues.

## III. BZNS MEMBERSHIP

**Article 6.** Any active Bulgarian citizen over age 18 who accepts the Union's Charter and Program and is not a member of any other party simultaneously can be a member of the BZNS.

**Article 7.** Every Union member has the right to:

- a. Elect and be elected to Union leadership bodies.
- b. Participate in all aspects of the organization's activities, express his point of view and opinions freely, and propose them for discussion and defend them.
- c. Criticize weaknesses and errors in the societies and Union bodies' activities.
- d. Request and receive information from all Union bodies.

**Article 8.** Every BZNS member is required to:

- a. Work for the accomplishment of the program's goals and adhere to the Union's Charter.
- b. Work for the development of democracy, pluralism, and self-government in internal Union activities.
- c. Contribute through his activities to the promotion of the Union's role and position in society and the country.
- d. Pay his membership dues regularly.

**Article 9.** BZNS members have equal rights and duties within the Union.

**Article 10.** Candidates for BZNS membership apply in writing to the local agrarian society where they live.

They are accepted in their presence at the local agrarian society's meeting.

**Article 11.** Every BZNS member has a membership card given by the BZNS Obshtina administration.

**Article 12.** BZNS membership is discontinued at the request of the Union member or by the decision of the local agrarian society assembly where he is a member.

**Article 13.** Membership dues are collected according to the net income of the Union member. The manner in which they are collected is determined by the BZNS Executive Council.

**Article 14.** The following penalties are imposed for violation of the Union's Charter: warning, censure, and expulsion.

**Article 15.** Penalties for committed violations by Union members are given and repealed only by the local agrarian association assembly.

Any member who has been proposed for penalty must be notified in writing regarding such proposal at least 10 days before the scheduled meeting.

Members of the Union leadership are penalized only by the body to which they have been elected. Proposals for this can also be made by local agrarian associations.

Penalties that have been imposed can be appealed before the Auditing Committee of the superior agrarian association, the Supreme Union Council, and Congress.

#### IV. BZNS STRUCTURE

**Article 16.** The Bulgarian National Agrarian Union is structured on the territorial principle according to the administrative and territorial division of the country, whereas membership depends on place of residence.

**Article 17.** The Bulgarian National Agrarian Union carries out its activities on the basis of the principles of elections, collectivism, accountability, openness, glasnost, and limited term of office: up to two terms in Congress for elected leading positions.

**Article 18.** Elections for all levels of leadership must be secret, and there must be more than one candidate.

**Article 19.** Administrative and auxiliary bodies are elected to conduct the meetings at local agrarian societies, the meetings and conferences of the obshtina agrarian societies, the BZNS Executive and Supreme Councils and BZNS Congresses.

Records are kept of all assemblies and meetings of Union bodies.

Assemblies, meetings, and conferences take place regularly when one half plus one of the members or delegates are present.

#### Local Agrarian Society [Druzhba]

**Article 20.** The local agrarian society is a basic unit of BZNS. It cannot have fewer than five members.

When a populated area lacks an agrarian society, one can be a member of the nearest society within the obshtina.

**Article 21.** The assembly is the supreme body that carries out the local agrarian society's activities. A report on the society's activities is given at an annual reporting meeting.

**Article 22.** Local agrarian societies elect directly:

- a. Its leadership, consisting of chairman, vice chairman, secretary, and members.
- b. Control and inspection committee, consisting of chairman, secretary, and members.
- c. Delegates to the report and election, and pre-congressional conference of the obshtina agrarian society.

**Article 23.** The leaders of local agrarian societies and control and inspection committees are elected for a period of two years.

**Article 24.** The local agrarian society nominates candidates for Union members in the BZNS administrative bodies, national government, and public organizations.

**Article 25.** Local agrarian societies make decisions by a simple majority of those present.

Decisions regarding penalties are made by a two-thirds majority of those present.

#### Obshtina Agrarian Society [Druzhba]

**Article 26.** Local agrarian societies within the territory of a given obshtina form the obshtina agrarian society.

**Article 27.** The obshtina agrarian society's report and election conference takes place every two years.

**Article 28.** The report and election conference of the obshtina agrarian society elects directly and individually:

- a. Chairman and leadership. The chairman has the right to participate in the leadership.

The vice chairman and secretary are elected by the leaders from among those elected to the leadership as well as the bureau, depending upon the conference's evaluation.

- b. Auditing committee consisting of chairman, secretary, and members.

**Article 29.** Delegates to the congress and Supreme Union advisers are elected at the pre-congress conference according to definite regulations for representation of the BZNS Executive Council.

Proposals by local agrarian societies are discussed, and candidates are nominated at the conference for membership of the BZNS Executive Council and Auditing Committee who are to be proposed for election at the congress.

**Article 30.** The obshtina leadership coordinates and assists all activities of the local agrarian societies.

**Article 31.** The BZNS obshtina leadership nominates candidates from union members for national government bodies and public organizations.

**Article 32.** The obshtina leadership receives an annual report on the financial activities of the previous year and the budget for the following year.

**Article 33.** Decisions for special conferences or meetings are made by the leadership on request of one-third of its members or one-third of the local agrarian society.

### Congress

**Article 34.** Congress is the supreme body of the Bulgarian National Agrarian Union. Congress:

- a. Approves the Union's Program and Charter and introduces changes in them.
- b. Hears the BZNS Executive Council and Auditing Committee report.
- c. Elects the BZNS Executive Council and Auditing Committee. The number of members is determined by Congress.
- d. Elects the BZNS chairman, whose activities are monitored by the BZNS Supreme Council and Executive Council.

**Article 35.** There are regular and special congresses.

Regular congress takes place once every five years by decision of the BZNS Executive Council.

A special congress is called by decision of the Supreme Union Council or at the request of one-third of its members. It can also be called at the request of one-third of the obshtina agrarian societies.

**Article 36.** Decisions are made at the congress by simple majority. A two-thirds majority vote of the delegates is needed to change the Program or the Charter.

### Supreme Union Council

**Article 37.** The Supreme Union Council consists of:

- a. The VSS [Supreme Union Council] members elected at the pregress conferences of the obshtina agrarian societies.
- b. The BZNS Executive Council and the BZNS Auditing Committee.
- c. People's representatives.

**Article 38.** The Supreme Union Council is called to settle issues that are normally the responsibility of Congress, when it is impossible to call a special congress.

The Supreme Union Council is called by decision of the Standing Committee or the Executive Council, or at the

request of one-third of the Supreme Union Council, or one-third of the obshtina agrarian societies.

### Executive Council

**Article 39.** The BZNS Executive Council:

- a. Organizes Union activities to accomplish the program's goals and tasks established by congress.
- b. Elects secretaries and members of the Standing Committee.
- c. Nominates Union members as candidates for people's representatives or ministers, and for other leadership positions in the national government bodies and public organizations.
- d. At the end of each year hears a report on the Standing Committee's activities and its plan for the following year's work.
- e. Hears a yearly financial activities report and approves the Union's budget.
- f. Approves the structure and staff of the Union's auxiliary bodies.
- g. Elects the chief editor of the newspaper ZEMEDEL'SKO ZNAME.
- h. Hears not less frequently than once a year a report on the activities of the BZNS parliamentary group, and of the ministers and other union members in leading positions in government and public organizations.

**Article 40.** The BZNS Executive Council meets not fewer than four times per year by decision of the BZNS Standing Committee or at the request of one-third of its members.

The BZNS Executive Committee makes its decisions by simple majority.

**Article 41.** The Standing Committee organizes the implementation of the BZNS Congress, and the Supreme and Executive Council's decisions. It directs the Union's budget and establishes the BZNS's international relations.

The Standing Committee reports on its activities to the BZNS Executive Council.

### BZNS Auditing Committee

**Article 42.** The BZNS Auditing Committee elects a bureau that consists of: chairman, vice chairman, secretary, and members. The number of members is determined by the Auditing Committee.

The bureau calls for meetings of the Auditing Committee and reports to it once a year on its activities.

The members of the BZNS Auditing Committee participate in the Executive Committee meetings with deliberative vote.

The chairman of the BZNS Auditing Committee participates in the BZNS Standing Committee meetings.

**Article 43.** The Auditing Committee:

- a. Assists with the exact and timely implementation of the decisions made by the Congress.
- b. Proposes BZNS members who have violated the Charter to be penalized.
- c. Reviews and decides on complaints and signals received by the Auditing Committee from Union leaders and members.
- d. Works and watches for prompt and correct review of recommendations, signals, requests, complaints, and awards received by Union bodies.
- e. Gives its opinion on forming, and checks adherence to the budget, the expenditure of monetary and material funds by the Union and its subdivisions, and the proper management of Union property.
- f. Makes suggestions to the appropriate BZNS bodies regarding decisions on Union activities issues that are not its responsibility.
- g. Provides methodological guidance for BZNS auditing committees on various levels.

Auditing Committees on the obshtina and local agrarian societies levels have the same rights and responsibilities on their own level.

## V. GENERAL REGULATIONS

**Article 44.** The Bulgarian National Agrarian Union's seal is round in shape with the writing: BULGARIAN NATIONAL AGRARIAN UNION. There is a four-leaf clover in the center.

Obshtina and local agrarian societies have a round seal with the following writing in a circle: BZNS, the society (obshtina, local), and the headquarters of the society. There is a four-leaf clover in the center.

**Article 45.** The Bulgarian National Agrarian Union's flag is orange in color with a four-leaf clover in the upper left-hand corner. In the center is the likeness of Aleksandur Stamboliyski; beneath it is listed the society's name and its headquarters.

**Article 46.** The BZNS badge is in the shape of a four-leaf clover.

**Article 47.** The Bulgarian National Agrarian Union is a unified corporation with headquarters in Sofia. It is legally bound with the signatures of two Standing Committee members who have been so authorized.

The acceptance of financial and other economic duties, and expropriations, construction, the purchase of Union properties and the mortgaging of them or other types of exchange occur by decision of the Standing Committee.

The obshtina and local agrarian societies are legally bound through the signatures of two members of the leadership.

**Article 48.** The Bulgarian National Agrarian Union, obshtina, and local agrarian societies collect funds for their activities from membership dues, economic activities, and other sources. Fifty percent of the dues collected remain for the use of the local agrarian society.

The manner of collecting and accounting of financial resources is determined by the Bulgarian National Agrarian Union Executive Council.

## GERMAN DEMOCRATIC REPUBLIC

### Disposition of Stasi Property Questioned

90GE0135C East Berlin NEUES DEUTSCHLAND  
in German 12-13 May 90 p 5

[Article by Hans Schwenke, member of the Committee to Dissolve the Office of National Security: "Where Is the Wealth of the Former MfS [Ministry for State Security] Going?"]

[Text] The first blow has been struck against the military substructure of the former MfS/AfNS [Ministry for State Security/Office for National Security] which had formed in the Committee to Dissolve the MfS/AfNS and without knowledge of its leadership. Four generals are leaving. We will neither see them again, nor their monthly M 5,000 salaries which they were paid in advance up to the end of June.

The blow was not struck by the committee leadership. It turned out to be too weak, too indecisive and bureaucratic. The blow was struck instead by the government commissioners or rather plenipotentiaries whose prerogatives had already been severely curtailed by Mr. Diestel. The committee members included plenipotentiaries Werner Fischer (of the IFM), a representative of the citizens movement and Dr. Boehm, a tolerant representative of one of the former Bloc parties; government commissioner Col. Gen. (ret.) of the former civil defense forces Fritz Peter, who did not switch sides but who saw the light, if for no other reason thanks to his daily contact with Consistorial Councillor Schroeter, a Christian activist, who joined the trio. Between them these four constituted an entity with the kind of moral authority that one does not acquire by holding down a particular post but on the basis of one's strength of character. Diestel was ill-advised in curtailing the group's powers and in reviving the unserviceable principle of one-man leadership which had been all but perverted during the past 40 years.

He was equally ill-advised in initially adopting a controversial position vis-a-vis the citizens' committees which represent the public conscience of the dissolution of the former MfS/AfNS and have done a more than creditable job of uncovering the practices of the secret police and its

myriad activities on all levels of society. The basic attitude as well as the initial statements by the new chief clearly served to encourage some of the former Stasi agents who had joined the committee and been given the job of handling the technical end of the liquidation process. They proceed to expand the substructures of the former MfS/AfNS which had evolved prior to 18 March (although under somewhat more difficult conditions) both inside and outside the committee.

One of the reasons why substructures of the old MfS began to form outside the committees was that the call last November to "make the Stasi agents do factory work" was soon replaced by the refusal of many workers to let former Stasi men join their ranks. Nonetheless, only a fraction of those dismissed from their jobs are out of work today.

Most of the former as well as the fired Stasi employees are taking advantage of the many layers of the MfS organizational structure. They all know each other. Above all, they know the agents who worked for Stasi in the factories and other facilities.

These people usually saw to it that most of their former clients found new jobs. This is how the substructures came into being, e.g., at the Ministry for Internal Affairs, in the NVA [National People's Army] and the Border Troops, in the postal, and customs services. Contrary to the rules laid down by the roundtable's security panel entire command units were taken over. This prompted the security working group to install Dankwart Brinksmeier, one of its SPD [Social Democratic Party] members, as comptroller of personnel in the Ministry for Internal Affairs. It cannot be said that he was not given the necessary powers.

Substructures of the former MfS also evolved in the economy as technical installations of the former MfS were disbanded but reconstituted themselves as part of the economy. IWG, an engineering technology company, is but one such example. During the past several weeks the number of guard and patrol services and detective agencies has been growing like mushrooms. One of these, the "Abakus" detective agency in Berlin, freely admits that its staff consists of 40 former MfS agents. Ought it not to be of interest to the public what these people did previously, what they are doing today, what materials they are using and where they got them? Data confidentiality should not be an obstacle to finding that out.

Why is it that public is so little interested in finding out the background of the owners of the "Leasing Limited" which is based at the former Stasi facility in Gosen? They are lending a helping hand to the machine building industry and operating a lucrative business that deals in state property that belonged to the MfS and the VEM [Electrical Machine Construction].

Isn't it high time we found out who the people are that are making money on supposedly unclaimed property and who is benefitting from these transactions?

Wouldn't it make sense to make at least part of the as yet accessible capital and the profits from the sale of MfS and VEM property available to a foundation for social purposes? In his government policy statement, de Maiziere emphasized that he views it as one of the important tasks of his government to help those who will become victims of a pitiless market economy, e.g., the jobless, by providing for retraining, reintegration and job placement programs.

Help has to be provided most of all for young people who are even less able to find their way than young people in the FRG; for parents but most of all for single mothers and fathers who must be able to send their children to kindergartens; for the sick whose medical care has to be improved; for the elderly who must be guaranteed an affordable home and home care in their old age so that their descendants will not go broke providing it for them. The elderly must also have access to daily meals at the old people's club and be able to meet others there during the day.

A foundation financed from part of the MfS and VEM capital and the sale of their property would constitute a laudable, practical step on the way toward realizing a major goal set forth in that policy statement. The expansion of the NVA military counterintelligence service, on the other hand, is a totally useless and senseless project. Mr. Eppelmann really is the big disappointment of this government.

Almost immediately after he assumed his post, Eppelmann, a former ardent pacifist, discovered that he has to have an army and compulsory military service as well. But even that was not enough. Now he wants to expand military counterintelligence. He says he has recruited 25 individuals who are as clean as a hound's tooth. Where did he find them? Are they former agents of the NVA intelligence service which never ceased its activities and took credit for the fact that it was never nominally part of the MfS establishment?

There is still another question: against whom is this intelligence service supposed to operate? The "old" enemy no longer exists. Has Pastor Eppelmann discovered a new one? What is it that still needs to be kept secret about the NVA which is quite obviously in a state of dissolution? Or are we to understand that Pastor Eppelmann no longer desires disarmament? Could it be that Mr. Eppelmann wants to hang on to his present job? But then he might be making a serious mistake. Nothing corrupts quite as much as power newly acquired. But the old Bible quotation may still be proven right: that the last will be the first.

The first blow against the restoration of the old power structures has been struck. The public should take note of it and take part again—as actively as before—in the struggle for moral integrity, social justice and democracy in our land.

## Institute Journal Examines Needed Changes

### Social Policy, Living Standards

90GE0130A East Berlin IPW BERICHTe in German  
Mar 90 pp 26-29

[Article by Dr. Peter Delitz and Prof. Dr. Ernst Luedemann, both of the Institute for Politics and Economics: "German Unity, Living Standards and Social Policy"]

[Text] The result of the election of deputies to the People's Chamber of the GDR on 18 March 1990 was a clear indication that unification of the two German states is "a foregone conclusion." What remains to be solved is how fast and in what way unification will take place. This is essentially something the German people and their elected parliaments will have to decide, but unification also contains an international dimension, because it will have a lasting effect on the balance of power in central Europe and because it is impossible to wipe out experiences that other nations have had with a united Germany.

At present, the most widely discussed issues in this regard deal with the economic, monetary, and social union of the two countries. Many citizens of the GDR favor a speedy unification. But their willingness to ponder the consequences of such a development has decreased in direct proportion to their growing conviction—a conviction that has been nurtured by many daily experiences and Western promises—that only an accelerated unification of the two German states insures a fast solution to all of the pent-up economic, social, and ecological problems of the GDR.

But there are also those in East and West alike who fervently wish for unification, but nevertheless advise caution by pointing to historical processes and to the experiences of the most recent past. If unification is to cause a minimum of "trouble" for the German people, then—so they say—unification must proceed gradually towards a political union that is sanctioned by other nations and is integrated into the process of creating a common Europe.

Judging by the political power alignment in the GDR, it looks as if the political unification of the two Germanys will take place relatively quickly, although it could stretch over several years; but in the economic and social policy sphere, many politicians in both countries have repeatedly called for "bullet-train speed." Thus, it is important to visualize the possible consequences such a unification would have on the German people. They would live in a federally united nation state where previous boundaries have become obsolete. They could freely travel everywhere in Europe. But what about the standard of living? The citizens of the GDR have developed certain expectations which are becoming both more elevated and more specific.

A united nation clearly can have only one currency and the way things are, this currency is not going to be the

mark of the GDR or some hybrid currency, but the West German mark; that is why many people in the GDR would prefer to have the West German mark sooner rather than later.

Most people in the GDR expect unification to bring the same plentiful availability of goods, the same work hours and the same vacation time as in the FRG. But what about the same high pensions, the same social security benefits? Are these expectations realistic, and how long will it take before such expectations become reality?

### Downward Slope in Level of Economic Development

Realists also point to a significant downward slope when comparing the GDR's level of economic development with that of the FRG. The state central administration for statistics quotes productivity in the GDR as 40 percent lower than in the FRG (or in other words: productivity in the FRG is two-thirds higher than in the GDR). Since a country's standard of living cannot exceed its level of productivity (provided the country lives within its means), it follows that the real income of the working population in the GDR has to be proportionally lower than that of the working population in the FRG.

Let's look at some numbers from the GDR's 1988 Handbook of Statistics: In 1988, disposable net wages and salaries in the GDR averaged M 1,945/month. The German Institute for Economic Research (DIW) in West Berlin calculated that net wages and salaries (this includes unemployment compensation) in the FRG averaged DM 4,155/month in 1988 (DIW Weekly Report, 28/1989). If one enters into this rough comparison of real income an approximately equal purchasing power of East versus West marks (according to DIW), then it is not surprising that the GDR lags far behind the FRG.

Reasons for why the GDR lags behind the FRG in real income and standard of living can no longer be blamed on the dismal start-up conditions of the GDR at the end of the second world war. The responsibility for why the GDR fell so far behind the FRG, especially during the seventies and eighties, must primarily be found in developments that took place within the GDR. The political leadership knew little about economic matters and thus allowed decisions to be made that proved fundamentally wrong for the economic sector. Their implementation led to disproportions in the national economy and consequently stunted economic growth and kept down the standard of living.

The downward slope in the comparison of the standard of living of both countries alone is an indication that within a very short time, rapid unification of the FRG (with its higher productivity and real income) and the GDR (with its lower productivity and lower real income) is bound to cause serious problems. Mere unification will not increase the national income of either country by so much as one East or West German mark, and the number of inhabitants will stay the same at a combined

76 million. Unification will simply redistribute the national income of a unified German state with the "GDR part" benefiting and the "FRG" part hurting.

Let's illustrate this point with the previous data for monthly net incomes from wages and salaries (the self-employed are not considered): With 2.5 persons per household—a realistic assumption—the monthly net income per person, employed, retired, or under-age, comes to about DM 1700 in the FRG and to M 800 in the GDR. This means that with its 60 million inhabitants, the FRG has a national income of about DM 100 billion a month to spend on private consumption (to effectively enhance one's living standard). The GDR with its 16 million will have nearly M 13 billion. Taken together, we are talking of an "all-German" average of about 1,500 West German/East German marks. Is it conceivable that the citizens of the FRG are willing to prove their "solidarity" for unification by redistributing a unified national income so that everybody, young and old alike, suffers a cut of more than 10 percent in net income for the benefit of citizens from the former GDR whose income would jump by about 80 percent? Such a measure of national solidarity defies the imagination.

Another way to even out differences in productivity and income levels would be for West German and international banking houses to use some of their ample funds to extend whatever money is necessary in the form of gigantic credits to increase the purchasing power of the former GDR. It is reasonably certain though, that those who are responsible for the stability of West Germany's economy and currency would emphatically reject this proposition. They are pleased that the past few years have brought only moderate inflation and are justifiably opposed to measures that artificially increase demand regardless of productivity, because such measures only fuel inflation. Is it conceivable for the FRG to jeopardize its strong competitiveness on the international market so that the citizens of the GDR can get a quick boost in their standard of living? Do we even have to ask?

Furthermore, it is in the interest of the GDR that West Germany's economy develops as favorably as possible during the unification process. It would be very unfortunate if West Germany's economy were currently undergoing a bust instead of a boom.

The unification of the two German states will not bring an "automatic" equalization in the standard of living of both countries. Without fundamental economic changes, there won't be a "quick buck" to be made anywhere. The faster both countries adjust the difference in their respective productivity and standard of living, the sooner they will be able to align their economic development and equalize their income levels. In other words: There is no way around the fact that it is mostly up to the citizens of the GDR to close the economic gap between their country and the FRG.

It is important to keep in mind the different new stimuli the GDR economy will receive once it adopts the principles of a market based economy. One must not underestimate these effects on an economy that has lingered under the stultifying conditions of a command economy, but one also must not forget how difficult it is to leave behind an administrative and economic system and an entire way of thinking that has dominated the past few decades. Such a transition requires peaceful internal conditions, a briskly progressing democratization process, vigorous economic reforms, and the speedy adoption of market economy principles.

### Differences in Social Policy

The GDR's transition to a market economy does not insure an immediate increase in national economic productivity and higher wages and salaries, because the modernization of nearly every economic sector in the GDR would require too much investment capital and would thus draw an increasing amount of the country's accumulated capital into boosting the national income. The complexity of economic processes make it necessary to prepare for "hard" times.

This begs the question of how German unification will affect social policy. The different social and economic systems of both countries have created different social security systems. It is necessary to examine these systems with the premise in mind that no country can afford paying wages and salaries in excess of worker productivity without weakening the economy's ability to accumulate capital. If the GDR wants to salvage its economy, it needs increased capital investment in the productive sector, and this in turn rules out increases in wages and salaries in excess of productivity unless the GDR is ready to risk financial ruin.

It should be mentioned on the side, that in view of the differential in economic productivity, immediate measures to shorten the work week and/or to extend vacation time in the GDR (a worker in the FRG officially works between 37.5 and 38.8 hours a week; the actual work week in industry in 1988 was 40.5 hours; vacation time generally comprises six weeks) would not help to further or speed up efforts to even out wage and salary differences between the two countries. For the working public it is not a good time to rush into unification because wages will stay low for quite some time even though goods are likely to be plentiful. Even with massive capital investments by foreign firms, it would take at least a decade to restructure the economy of the GDR. Economic experts from the FRG have recently predicted a similar time frame, and it will probably take that long before incomes in both countries reach the same level.

However, two factors could shorten this complex and contradictory process. First: Many new and different opportunities to spend savings and wages will encourage people to work very hard. Normally people save because they want to satisfy extravagant desires, but in the GDR people saved because they could do little else with their



money. Monetary union is likely to increase the motivation to work hard (even though, at first nobody will be able to spend their entire savings in West German marks to buy goods and services).

Second: Generally high qualification standards and the capacity to respond to new technological and organizational demands in the work place favor a relatively fast quantitative and qualitative adjustment in performance levels. Even though GDR qualification standards do not always meet the newest and highest technological demands, they can quickly be brought up-to-date through special training. The fact that the FRG is facing a shortage of certain skilled labor has prompted the German Institute for Economic Research to predict that Germany's "future skilled labor force" will consist of those highly motivated workers who have come to the FRG from the East. Businesses in the Federal Republic believe "that the quality of a country's labor force is the most important asset in the competition with other highly developed industrial nations." Unfortunately this path to increased performance and income is quite expensive: In 1988, West German businesses alone spent DM 15 billion for training its work force. Another DM 6 billion was spent by the Federal Government and regional institutions.

Even if it were possible to quickly transform the GDR's creative potential into increased economic performance, it still would be impossible for the GDR to reach the same level as the FRG in income, pensions, child support, tax breaks, etc., because payments to this effect would narrow the productive accumulation of capital. What is needed are iron-clad guarantees that those segments of the population who have had a relatively low standard of living in the past, do not have to carry the undue burden of paying for a program that is designed to put the populations of the GDR and the FRG on an equal footing. Even so, there is no way around the fact that the entire population will have to share in the dismantling of state subsidies which have done nothing but encourage waste and by so doing have lowered productivity. The average worker in the FRG pays about 20-25 percent of his/her net pay for rent; only seven percent of all private households receive rent subsidies totalling DM 3.7 billion, or an average of DM 145/month. In other words: Instead of quickly catching up with income levels in the FRG, many GDR citizens can expect further encumbrances on their income—at least for a while.

A realistic analysis of the present situation in both countries has to include a look at the difference in pension and social security insurance. A nominal per capita comparison of pension and social security benefits doubtlessly favors the FRG. Measured against its economic potential, the GDR has long maintained an extravagant social policy that nevertheless was unable to prevent the emergence of serious disproportions in the system itself and in its benefit payments. Furthermore, it was unable to affect worker productivity in any measurable way.

On the average, a retired worker in the FRG received DM 890 per month in 1988, a salaried employee DM 1,274, and a coal miner DM 2,036. These numbers reflect the fact that many female pensioners without a work history or with a short work history received much smaller payments. In contrast, the average social security pension for workers and salaried employees in the GDR was 381 marks for 1988.

These significant discrepancies are caused not only by low worker productivity, low economic efficiency, and a resulting low level of income, which is then used to set pension levels. Another important point is the size of social service payroll deductions. Employers as well as employees in the FRG pay significantly more than in the GDR for state mandated health, retirement, and unemployment insurance. West German wages and salaries for 1989 show an average deduction for all three insurances of no less than 18 percent, compared to no more than 10 percent in the GDR (for incomes under 600 marks). The FRG's progressive income tax, on the other hand, taxes low wage and salary earners at a correspondingly low rate. Deductions for social security benefits are mandatory up to monthly income levels of DM 4,725 for workers and DM 6,300 for salaried employees.

With unification, the trend in this case would go towards meeting the social security deductions of the FRG. Simultaneous and gradual increases in taxes, social security deductions, and benefits, would provide a relatively attractive solution, even though it demands joint sacrifices from both German states.

Both Germanys require that employers and employees pay equal parts of all social security contributions. Such "fringe benefits" require employers to retain more variable capital and that is why they are strictly opposed to making any further contributions—be it to increase social benefits or to merely keep up with inflation. The pension reform that went into effect early this year provides several improved benefits for certain handicapped citizens, but there is a dark side to it: Pensions are no longer calibrated according to the more favorable gross income but according to the net income. The retirement age for women is to be raised to 65 years and graduated over longer intervals. No matter how rich the FRG, no matter how high social security contributions by workers and salaried employees are, the FRG has to save to maintain present benefit levels. Pensions consequently will not only grow more slowly, but the working public will have to pay higher contributions. The same saving spirit is behind the present discussion of no longer granting retired immigrants from the GDR, the USSR, Poland, and Romania the same pensions as West Germans receive who have worked for the same number of years, because such immigrants have not contributed to the West German pension fund. This discussion is going on despite the fact that only few retired persons have immigrated to the FRG as compared to the many young people who will pay their contributions to the social security system for years to come. It is clear that present pension levels will become financially untenable once

the annexation of East Germany adds millions of retired persons to the system. Such a situation demands completely new political decisions and a new sense of solidarity regarding values and priorities. But new ways of thinking and acting in the political, social, and private sphere can neither be dictated nor enacted on short notice.

Whatever the decisions, some facts cannot be overlooked: The citizens of the GDR have made no contributions to the pension fund of the FRG; GDR pension funds are financed to a greater part by yearly state subsidies; the age distribution of the GDR's population is unfavorable and will demand many pensions to be paid out over a short time. There is the danger that a market economy will require the weakest sectors of society—the old and needy—to carry a disproportionate share of the consequences of change.

#### Insufficient Provisions for the Unemployment

A third issue that must be dealt with is how to create new jobs and how to administer social security benefits in case of unemployment. Even though the revolution in science and technology makes many jobs redundant and even though citizens in the GDR are guaranteed a place to work, economic policymakers in the GDR have spent little time and effort to set up agencies and financial programs to handle unemployment. Changes in the nation's economy require that a great many people go back to school to advance their skills or to retrain completely. It is necessary to create new jobs and to make provisions in the social service sector so that those who are forced out of work temporarily or who cannot be retrained can lead a secure existence. The urgency to develop such social and economic policies increases as massive foreign capital investment accelerates an inevitable modernization and rationalization process. It is a mistake to believe that unemployment will stay "confined" to those who administered the former regime of oppression. There is also reason to fear that bankruptcies with massive lay-offs in their wake will become a "normal" occurrence because years ago the country took out ill-timed and ill-founded loans that it has difficulties paying back, and because the GDR might "simply" find it impossible to compete in the open market.

Legislation to create a public employment administration and to set up public and private funds to buffer the process of adjustment demanded by a new science and technology dominated industry is of great urgency and should have been enacted alongside those first laws that were designed to open up the market. The important thing remains that it takes a strong economy to start up such funds, and that it subsequently takes a long time before payroll deductions and employer contributions (which will slow down the process of market adjustment) can pay out benefits. The task of economic adjustment and social security protection is so overwhelming, that it can only be undertaken with significant contributions by the state. It is very possible that a quick unification and the immediate application of market-based principles

will significantly heighten unemployment in a united Germany. Who then is to pay the necessary unemployment benefits? Certainly not the GDR which has a lot of catching up to do and needs increased social service protection.

The social problems mentioned here are all related to the fact that the FRG and the GDR have different economies. A quick "all-German" solution is bound to unleash a myriad of social problems, tensions, and loss of identity—problems that are destined to destabilize society. This is probably the reason why realists in the West German business community favor a gradual unification in the economic and social policy sector. It is doubtful, though, that their voices can drown out those of the majority who clamor for immediate unification. That in turn would mean that unification will encounter more difficulties and disruptions than the people in both Germanies would wish for.

#### Economic System Transition Problems

90GE0130B East Berlin IPW *BERICHTE* in German  
May 90 pp 34-38

[Article by Dr. Alfred Boenisch of the Central Institute for Economic Sciences, GDR Academy of Sciences: "Problems Setting Sequence in the Transition From Planned Economy to Social Market Economy"]

[Text] In October 1989, the economy of the GDR started the gradual process of moving toward a social market economy. This decision required a change in economic thinking, a change that is slow and difficult because it involves parting with principles that have been sacrosanct for decades.

#### How To Pace Reform?

The changes in central Europe have spawned many a discussion about the pace of reform: Should reform proceed in small incremental steps or should it leap ahead as it did in 1948 in the Federal Republic? This is a very serious problem because we have no theory that describes how and at what pace economic reforms should proceed under conditions of political stability. We have no theory that espouses taking little steps and such a theory would in effect contradict the neoliberal-dualistic theory that favors the great leap. An article in the journal *WIRTSCHAFTSWOCHE* criticized economists for having failed to think about how East European economies are expected to change from a planned to a market economy.<sup>1</sup>

The GDR will have to engineer its economy's transition to a social market system without help from theories. The difficulties of this task are reflected in the discussions over monetary union and currency reform where a typical and dangerous contradiction between political and economic conditions calls for a quick political solution even though many economic conditions in the GDR point against monetary union. It is not possible to make the West German mark the currency of the GDR

without a revaluation of 160 billion GDR marks (80 percent of GDR citizens have average savings of 10,000 GDR marks) and without risking sizeable unemployment.

It is also not at all certain that a quick currency reform will indeed stop the exodus to the West.

We not only need a theory to ease the change from one system to another, we need a theory that deals with the much longer period of economic modernization. The people in the GDR need a credible, long-term perspective.

Changing from a central command economy to a social market economy demands reform in the concepts of ownership and property, in price-setting, and in currency; it calls for the creation of commercial banking, for ways to invest interest, for setting up councils representing management, labor, and society as a whole. It calls for economic freedom and tax reform.

Changes that lead to greater private initiative and individual freedom deal with a common problem in systems policy<sup>2</sup>: On the one hand, changing a system is supposed to grant greater freedom, but on the other, it must not endanger social stability. Thus, changes in the economic system entail reforms in many other sectors of society. Most pressing at the moment are changes in the legal framework to free the way for a market economy.

A planned economy and a market-based economy are two fundamentally opposed concepts, they cannot coexist. Once the decision has been made to abandon a planned economy, it must immediately be replaced by a market-based economy. Many people argue that Ludwig Erhard's decisions in 1948 have shown the success of such a systems change, and they claim that what worked then will work again.

A closer look though shows that this historical model has only limited use. The West German economist Philipp Herder Dornreich points to three differences between now and then:

1. In 1948, L. Erhard did not have to remove the former political elite of the four Western zones. Allied occupation forces had already taken care of this process through measures largely unrelated to economic reform.
2. The population of the new Federal Republic was already familiar with the concepts of a market economy. Only 10 years earlier, Germany had had a flourishing market economy, an experience Central and Eastern European countries are lacking today.
3. In 1948, the supply situation in the Western zones was so bad that it could only get better. This is not so for today's East Bloc countries. In the GDR, workers and salaried employees are mostly afraid of the cost of reforms, and this fear contributes to continued emigration from the GDR.

One often hears the argument that there is no need for a quick change from a planned economy to a market economy. Instead, various blends of the two systems could provide a "very gradual" transition to a full-blown market economy. However, hybrid forms are fundamentally disfunctional and hence destabilizing! An over-regulated market economy does not work. Hybrid economic systems are only temporary solutions that should be overcome as fast as possible in an effort to reach a fully functional system.

Conditions in 1948 allowed L. Erhard to enact a quick transition to a market economy. The same conditions are not present in today's GDR. Although the 1948 currency reform happened almost instantaneously, it took longer to transform the entire economy into a market economy. Housing was the last sector that made the transition to a social welfare-oriented market economy. This happened in 1961 under the Luecke-Plan.

Experience only partially substantiates the thesis that it is best to abandon a centrally planned economy as quickly as possible. But in the case of the GDR, it is very clear that it is necessary to accelerate the transition to a social market economy and to discard old thinking and bureaucratic obstacles.

Most necessary of all is a symbolic step.

#### **Nature and Disadvantages of a Centrally Planned Economy**

The national economy of the GDR was centrally planned. Planning was not just one of the characteristics of this economic system, it was its very essence. The entire concept was determined by its views on property, ownership, and society. At the heart of planning was the conviction that economic laws exist, that they can be discovered and that they can be applied. Planning itself was understood as a learning process that would culminate in an ever closer approximation of economic laws.

Planning found its highest expression in the planning system, which was all-comprehensive and comprised the entire network of state bureaucracies responsible for economic planning and financial accountability. The most important task of this system was the planning of the nation's economy. Planning affected the entire economy and with it the social, economic, scientific-technological, and cultural development of every branch, territory, and sector of the nation's economy.

Decisions concerning economic efficiency, flexibility in planning and in assessing the social effects of modern-age productivity were all determined by political motives. It was this political dimension that was seen as new and was held responsible for having made the planning system superior to the capitalist market system.

People in the GDR are still asking why is it that the planning system failed. There are many reasons. Here are only a few:

1. Economic decisions were primarily based on political criteria—some often false. Thoughts about economic efficiency were at best secondary. Tyll Necker, president of the Federation of German Industries (BDI), outlined the problem in somewhat literary terms: "A centrally planned economy follows an overall plan and distributes incomes according to criteria that have nothing to do with profit. A free and decentralized market economy, on the other hand, draws its strength from the profit motive of its citizens. Weaken or remove the profit motive, and frost will cover the entire economy as it would an environment without sunlight and warmth."<sup>3</sup>

2. True economic competition was nonexistent. Competition that exists only formally fails to stimulate performance and innovation in social and economic sectors and weakens the dynamism and innovative force of the entire national economy.

3. A bloated and ever increasing bureaucracy in all sectors of society including the economy, brought individuals in constant conflict with laws and regulations. This is still so today. Deregulation and debureaucratization are necessary activities that proceed only slowly and against the will of some. This is one reason why many efforts to start new enterprises in the GDR failed.

4. A high degree of waste coexisted with a system of subsidies that encouraged further waste.

5. Exaggerated centralized decisionmaking blurred the boundaries between normal centralization and decentralization.

What then were the advantages—or the supposed advantages—of a planned economy?

A good justification for the existence of planned economies has always been its wide public ownership of capital and production. Planning was to guarantee stable and trouble free economic development. Unfortunately this approach already carried the seeds of a bureaucratization that was bound to stifle a widespread desire to work independently.

Planning also stood for conscious acting as opposed to spontaneous responses in crisis-prone situations. An often used example in favor of this argument has been the Great Depression of 1929-33. At first glance, this argument has a certain merit, because every country wants to avoid an economic crisis. But as soon as it became clear that countries with planned economies also experienced great dislocations and that their societies suffered too, this theory became questionable.

#### Market Economy—Hope and Reality

The transition to a social market economy requires detailed knowledge of its nature, how it works, its advantages and disadvantages.

Market competition and competitiveness are central categories in economic and political thinking. They characterize capitalist economy ("market economy" or

"competitive economy") and dominate the economic and political debate of Western countries. This discussion focuses on market performance and on the relationship between "free market competition" and monopolistic impediments. The main argument holds that an economy based on competition is better off and superior to other market systems. Otto Schlecht, long-term deputy in Bonn's Ministry for Economics, asserts that "a market economy is a far superior institution when it comes to organizing the economy."<sup>4</sup>

Otto Schlecht adds that "free market prices" direct scarce resources to "where they are needed most and where they can be used most productively. The resulting efficiency leads to thrifty and concerned dealings with scarce resources."

The new party platform of the SPD [Social Democratic Party] echoes Otto Schlecht's words: "Market competition and competitiveness are necessary within certain democratically set limits, because it is the market that effectively coordinates a multitude of economic decisions."

It is noteworthy that the previous quote first limits the role of the market, but then proceeds to assign it a critical decisionmaking role. The following paragraphs offer a more realistic assessment of the role of the market because realistically its effectiveness is partially rendered useless by inordinate concentrations of market power and by market powers that rest in the hands of a few large firms whose influence needs to be controlled.

Centers of market powers exist in all industrial countries of the West. The question is whether and how to control them. Legislation governing economic competition is often incapable of controlling oligopolitical powers and it is not always clear whether it should.

The SPD party platform contains the important statement that "failure can be found in the market place as well as in the halls of government. We have to guard against both possibilities."<sup>6</sup> This statement expresses most recent findings in political science and economics and puts the significance of market forces in proper perspective.

Praise for market forces and market competition abounds and even though a market economy tolerates many entrepreneurial forms, it is largely dominated by big business. Free competition is accompanied by oligopolistic/monopolistic competition and by state imposed regulations. This type of "market economy" has its weaknesses and can cause various social problems generally described in Western economic literature as "the drawbacks of a market economy." Some of these drawbacks display:

- persistent mass unemployment;
- disproportions in infrastructure;
- glaring differences in income and "new poverty"; and
- lack of housing

By late 1989, the FRG fell short about 800,000 housing units—not because of the influx of people of German ancestry from the East, but because during the 1980s the construction sector became obsessed by a “market-oriented outlook” which exacerbated the disproportion between supply and demand in the housing sector. The housing market is undergoing structural changes that defy market adjustments and result in housing shortages.

It is safe to say that market forces perform very well in some respects but not in others. Peter Knirsch, an economist from West-Berlin summarizes the advantages and disadvantages of a market economy this way: “A market economy has the potential to coordinate management and labor in a way that minimizes losses to society. History shows that capitalism has performed less than flawlessly with its ups and downs in the market, its monopolies, unemployment, and inflation; but the system itself is far from anarchic.”<sup>7</sup> A market economy needs the corrective of a state administered economic policy—in other words: Political decisions correct the “drawbacks” of a free market economy as much as possible. Minister for Economics, Hermann Haussmann, explains: “These days, it is pretty tough for politicians to guarantee the rules of the free market game.”<sup>8</sup>

#### Summary:

1. Market forces have good as well as bad sides. Both need to be scrutinized to realistically assess their effect on the economy. All industrial countries of the West are strongly dominated by big business.
2. All countries in the West allow for the state to regulate the economy in significant ways. The government sets the framework for economic activities, formulates and directs economic processes and assures basic economic interests. This shows that market forces are limited in their regulating effects and that the state has to lend a hand or to take over when it comes to problems such as monopoly building, socioeconomic contradictions, and the tendency towards internationalizing trade.
3. Interventions by the state must be guided by cost effectiveness. For a long time, hardly anybody cared about the cost effectiveness of political and bureaucratic decisions even though everybody knew that political decisions do not always benefit society. At times, a centrally coordinated decision mechanism makes decisions that cause higher social costs than the failures of a market economy.

This issue calls for a critical examination of the GDR's experiences in organizing and planning economic and political matters. How can failures in central planning be corrected? An important aspect in this regard is that state imposed regulations remain open for review and revision because they determine to a large degree a country's ability to compete in the market place.

The crucial question remains which political system provides the better framework for making decisions that affect a country's economy and social conditions.

#### The Basic Problem of the GDR's Economy

The GDR's central problem is that its economy produces less than many Western countries. Two remarks are in order:

First: The past has always seen differences in productivity, sometimes between countries and regions, sometimes between different parts within the same country, such as the economic East-West discrepancy in prewar Germany. Little will change that.

Second: The difference in productivity between the GDR and the FRG is somewhere between 30 and 50 percent—depending on whose calculation one uses. Over the past few years the GDR has tried with little luck to narrow this productivity gap by increasing worker performance. The failure to do so had political, economic, and psychological consequences. The big question today is whether or not an improved economic situation in the GDR can keep citizens from migrating West. Economy and confidence have become intertwined issues.

An important cause for the difference in productivity is insufficient economic performance. Theory has a simple solution: The application of a performance system based on merit and efficiency. This system must not only guide production, but social, administrative, political, and scientific sectors. Performance must get rewarded properly, but there is very little evidence that this is actually happening in many places.

Insufficient performance has many reasons, among them are incompetent management and unfavorable political conditions. It is necessary to create a stimulating political environment that inspires confidence and makes individuals no longer feel alienated and powerless.

Restructuring the GDR is bound to put great demands on the country's intellectual and social resources. It is well to consider how to exploit the creative force of the sciences to the fullest. A critical analysis shows that in the past the sciences in the GDR had to sacrifice part of their energy and critical function to justify the mistakes of the political leadership. Directors of scientific installations were busily manufacturing impressive numbers and statistics instead of addressing the problems of how to stimulate performance and how to properly assess the value of scientific contributions.

Present day economics needs to study more than just markets. It needs to study elections and collective bargaining; it must carry forward systems theory and combine it with other theories to create a social market economy that makes use of those practical experiences that have worked well for the GDR.

In closing, I would like to highlight the following aspects once more:

1. The GDR needs to adopt a social market economy while preserving as much of its social security system as possible. During the transition period it must avoid

making too many serious mistakes. Hungary and Poland can contribute some useful experiences in this regard.

Abandoning a central command economy for a functioning social market economy means reforms in ownership, in price structure and currency; it means the creation of commercial banks and the utilization of interest. In making the transition to a market economy one should avoid mixing economic systems, because hybrid forms are dysfunctional and destabilizing. Only when absolutely necessary should they be used and then only for the shortest time possible.

2. Hopes that a market economy will solve all problems are very high—maybe too high. Because some disappointment is to be expected, it is necessary to assess the benefits of a market economy realistically.

3. It is further necessary to quickly increase worker discipline, the level of worker qualification and knowledge, and management skills.

4. Highest priority belongs to quick political, economic, and legal reform to scale down emigration from the GDR. Economic thinking must change radically but responsibly.

5. Logic is preferable to panic. What is needed is thoughtfulness and common sense for what is possible. The Bonn government has promised to create a climate of trust and confidence, to pay attention to facts, and to keep development under control. The GDR should adopt a similar approach.

6. The GDR is an important market and investment opportunity. Even more important is its function as a bridgehead to other East European countries, and especially to the Soviet Union. The GDR could exert a pivotal influence in expanding economic relations with other nations of the East. In this way, it could contribute much to the qualitative progress of negotiations held within the framework of the Council on Security and Cooperation in Europe (CSCE).

7. The introduction of a market economy does not catch the GDR completely unprepared. Much of what is needed to start the new system is already there, although only in its early stages. That is why pessimism should be replaced by a high degree of optimism, by a confidence building mentality, and by a realistic measure of self-help and self-reliance.

#### Footnotes

1. WIRTSCHAFTSWOCHE, Duesseldorf, 5/1990, p. 31

2. Herder-Dorneich, Ph. "Ordnungstheorie-Ordnungspolitik-Ordnungsethik," [Theories on Order-Policies for Order-Ethics for Order] Jahrbuch fuer Neue Politische Oekonomie [Yearbook for the New Political Economy], Tuebingen, 1989, Vol. 8, pp. 3

3. Necker, T.; "Standortwettbewerb und Ordnungspolitik, [Competitive Position and Policy for Order]" Kieler Vortraege, Neue Folge 117, Kiel 1989

4. WIRTSCHAFTSWOCHE, Vol. 38, 1988, p. 92

5. VORWAERTS, Bonn, 1/1990, p. 20

6. Ibid.

7. OST-EUROPAWIRTSCHAFT, 3/1988, p. 265

8. Compare: Herder-Dorneich, "West-Theorie: Perestroika in kleinen Schritten" [Western Theory: Perestroika in Small Steps] in: Der Arbeitgeber, Koeln, 17/1989, pp. 595

## HUNGARY

### National Security Office Briefing

25000736A Budapest NEPSZABADSAG in Hungarian  
11 May 90 p 4

[MTI report: "Relationship Between the ANT Scandal and the KGB"]

[Text] The spokesman for the National Security Office said that the investigation of charges arising in conjunction with the Soviet cooperative ANT's transaction in Hungary are within the jurisdiction of the police and the prosecutor's office.

Tivadar Parvy said that in regard to this case there has been no contact between his office and the KGB. Asked if in the final analysis the planned sale of airplane gear by ANT was a KGB provocation, the spokesman had only this to say: In the Soviet Union the pursuit of organized crime is within the KGB's jurisdiction, and this applies mainly to cases with international connotations.

Asked if [Hungary's] leaving the Warsaw Pact would increase the KGB's interest in Hungary, the spokesman said that his office would inform appropriate persons in government as well as the National Security Committee of the National Assembly should there be increased activity on the part of any foreign secret service. The spokesman also said that the KGB's office in Hungary moved out of the State Security Service building a year ago. The building no longer serves as headquarters for the Service. Liaison personnel now work out of the Soviet Union's embassy in Budapest. Hungarian professionals are also located at our embassy in Moscow for similar purposes.

Parvy added that recently the number of persons conveying letters and messages which contain life threats for various reasons has increased by extraordinary proportions. The authorities are aware of about 50 such threats. Those threatened include both members of the government and National Assembly representatives, as well as religious and public institutions.

## CZECHOSLOVAKIA

### 'Recent' History Of Ruthenia Reconsidered

90CH0197A Prague TVORBA in Czech 11 Apr 90 p 11

[Article by Jaromir Horec: "Inseparable Freedom"]

[Text] The formation of new historical destinies in Central Europe cannot be limited only to those peoples who lived in national entities after 1945. Yalta and Helsinki, the division into zones and recognition of so-called postwar realities, which is the name given to certain illegal actions undertaken during and after the war, cannot be allowed to form substantive boundaries to all other changes. This applies fully to Czechoslovakia, which is one of the few "victors" which, after the war, lost some of its territory. Yes, I have in mind Ruthenia, which from 1918-19 through 1945 was an integral part of the Czechoslovak Republic.

The history of Ruthenia is very dramatic and attests to the unbreakable strength of its people. Over the centuries no one has succeeded in destroying them as a people and wiping them from the map of Europe. More than 1,000 years ago Slavic tribes came here, clearly from the south and the Black Sea. Later, beginning in the 11th century, Hungarian lords occupied the region. Always, in its development, unique language, Christian culture, economic status, and natural conditions (the Carpathians to the north, and in the south the transition to lowlands) it has been fundamentally separate from the Ukraine and Great Russia, defending its identity first against the Avars and the Turks, then against the Hungarian influence, especially after the Austro-Hungarian accord of 1867.

The First World War, which so basically disrupted the foundations of Central Europe, meant new hope for Ruthenia. At home and abroad, mainly in the United States, groups came together to demand self determination for this forgotten corner of Europe as well. In October 1918 Ruthenian citizens living in the United States issued a proclamation proposing that Ruthenia become a part of the Czechoslovak Republic. They approved a similar memorandum in December 1918 in Svaljava, then again in Presov in January 1919. Despite opposition from the original Hungarian authorities and acts of pro-Ukrainian and pro-Soviet agitation the idea of linking its fate to that of the new Czechoslovak Republic won out. The final vote was taken at a meeting of the national council on 8 May 1919 in Uzhgorod, proclaiming autonomy within the republic. Therefore, the St. Germain agreement of 10 September 1919 contained the words: "Czechoslovakia pledges to administer the territory of Ruthenia...within the framework of the Czechoslovak state, but as a self-administering unit." A general statute of 16 November 1919 and the Czechoslovak constitution established the principles for the new organization of Ruthenian territory.

The development of Ruthenia within the Czechoslovak Republic, given that Ruthenia was in many areas just emerging from the backwardness of the Middle Ages into

20th century civilization, was disrupted in the autumn of 1938 when Hungary occupied the southern part of the territory, including the capital of Uzhgorod, then completed the action on 15 March with the occupation of all of Ruthenia.

This was not the end of its misfortune however. On the contrary, the troubles only escalated. Ladislav Feierabend notes in his memoirs the views of President Benes in 1940. Benes stated that "after the war we will not be able to prevent the Soviet Union from taking Ruthenia if it wants to." It is hard to comprehend what led the president to this view at a time when the USSR was still actively cooperating with Hitler's Germany, and when Stalin's foreign policy had no interest in the fate of a national liberation struggle on Czechoslovak territory.

On 9 July 1941, after Hitler attacked the USSR, the Soviet ambassador, Majskij, visited President Benes who, in their discussion of future borders, declared that he considered Ruthenia to be a part of Czechoslovakia. Majskij agreed and "expressed his understanding". Then, however, the president responded quite illogically and out of place that "Ruthenia can belong only to us or to Russia".

No one forced him to say this!

On 9 June 1942, when President Benes spoke with Molotov about the future of the Czechoslovak Republic, Molotov told him that the Soviet Government supported the pre-Munich borders of Czechoslovakia.

In 1943, however, there were clearly new discussions about Ruthenia. On 4 January 1944 Benes visited Churchill who was at the time in Marrakesh in North Africa. He briefed him on his stay in Moscow in December 1943, where he signed an agreement between Czechoslovakia and the Soviet Union. The Soviet side at that time proposed to "decide the Ruthenian question". According to the testimony of Churchill's secretary Coville, Benes "agreed to a joint Russian-Czechoslovak border in the east". At the same time, evidently, he submitted a "geographic plan for the postwar borders, on which Ruthenia was drawn in the territory of the Soviet Union..."

One can assume that at the same time the Moscow representatives of the CPCZ were talking to the CPSU about Ruthenia, and that the communists from Ruthenia who were living in emigration in the Soviet Union joined this joint project at a later date.

Stalin, Benes, and Gottwald decided the fate and future of Czechoslovak citizens living in Ruthenia and their country without the permission of those citizens. This involved the fate of some 800,000 Ruthenians, citizens of the Czechoslovak Republic. Benes and Gottwald, the representative of the Communist Party, spoke continually in their speeches of the "unity of the Czech lands with Slovakia and Ruthenia". When, however, the Soviet Army began to occupy the easternmost parts of the Czechoslovak Republic in the fall of 1944, the Czechoslovak side tried to present it as a fait accompli.

Soviet government agents set up committees that immediately requested the union of the country with the Soviet Union. Soviet agencies even forced the Czechoslovak Government delegation, the representative of the official Czechoslovak Government, to leave the country and cease to exercise its authority there. In November 1944 a congress of national committees was called in Mukacev and decided to "again join the Transcarpathian Ukraine with its great mother, the Soviet Ukraine, and split off from Czechoslovakia. Although this territory still belonged to the Czechoslovak Republic, special Soviet courts and investigatory commissions were set up here and terrorized the citizens. Armed People's Company units roamed around the cities and towns, locking up hundreds and thousands of people, who then disappeared in Beria's camps. The genocide that began this way culminated in 1947 with the forced deportation of some 4,000 families, more than 20,000 Ruthenians, to Siberia, and a decimating famine in the same year.

On 29 June 1945 Stalin forced Czechoslovakia to sign an "agreement" under which "Ruthenia is again united in accordance with the wishes of its populace and on the basis of friendly agreements on the part of both parties with its eternal homeland the Ukraine, and joins the Ukrainian Soviet Socialist Republic". Shortly thereafter, on 22 November 1945, the Interim Czechoslovak Federal Assembly ratified this agreement. The agreement was approved on 27 November by the USSR Supreme Soviet.

The Czechoslovak parliament, which passed the "Constitutional Law on Ruthenia and Modification of the National Boundary With the USSR", had no right to do so. The parliament was not elected in democratic elections, but named from above based on the proportional representation of approved political parties. Its authority was limited only to certain essential laws and measures necessitated by the postwar situation. Under no circumstances could it amend the constitution and give up some of its territory. The law speaks of the Transcarpathian Ukraine, but no such territory existed under the existing Czechoslovak constitution. The discussions of the interim parliament were unconstitutional, is therefore invalid under all laws of the Czechoslovak Republic, and runs counter to the international obligations of the St. Germain peace settlement. The Soviet Union acquired Ruthenia through strong-arm tactics, military force, and illegally. All future negotiations concerning the new identity of Central Europe should consider Ruthenia a part of the Czechoslovak Republic, the borders of which should be redrawn based on their status in 1918-37. This, by the way, also relates to part of the territory of Slovakia, along the eastern border near the town of Cop, which was taken violently.

The share of Ruthenia in the fate of Central Europe does not rest solely on the legal aspects of its existence. Its self-determination is related to the founding of a national life with all the characteristics of unique development and culture. Although this society has been decimated by forced deportations of the intelligentsia

during and after the Second World War, it has retained after these genocidal procedures its own identity, linked in many respects not only with rural folk culture but also with a culture that has arisen under the influence of Christian education. A unique enclave has been formed here, wedged between Ukrainians, Poles, Romanians, Hungarians, and Slovaks an enclave that retains after centuries a clear and convincing authenticity. I am not referring here to the strumming of folk music ensembles, the distinctive architecture, dress and customs which have always been retained authentically in Ruthenia, in accordance with our living conditions. Rather I am referring to those characteristics that differentiate the area from occidental culture and incline it more towards the European context. These characteristics and ideas are linked to a national revival that began at the end of the 18th century. Its leader was bishop Ondrej Bacinskij, who also started national schools. The role of the clergy, especially Greek Orthodox clergy, was primary in this process. In 1848 Ruthenian representatives attended the All-Slavic Congress in Prague. Czech historians Frantisek Palacky and F.L. Rieger report on their activities.

There was also a struggle for Ruthenia in the area of education and schools. Hungarian, Ukrainian, Great Russian, and local Ruthenian influences clashed sharply here, brought artificial weapons and intolerance to cultural issues, thereby weakening any joint national efforts.

The future of Ruthenia, since 1945 a part of the Union of Soviet Socialist Republics, will parallel that of the future Central Europe. It will not be possible to overlook or avoid its fate. The right to freedom does not belong only to those who can be heard and who can win their freedom, but also to those who live within a totalitarian dictatorship and have been persecuted and terrorized to such an extent that the enemies of freedom have almost succeeded in silencing them.

The freedom of central Europe belongs to all people who live there and who have formed a centuries old cultural continuity. It is not only for certain peoples. It is inseparable.

## GERMAN DEMOCRATIC REPUBLIC

### Newspaper Publishers Face Widespread Change

#### Journalists' Association Study Reported

90GE0131A East Berlin NEUE DEUTSCHE PRESSE in German May 90 (signed to press 10 Apr 90) pp 10-11

[Article by Dr. Marianne Kramp and Dr. Ruediger Krone: "Press Scene Undergoing Change"—first two paragraphs are NEUE DEUTSCHE PRESSE introduction]

[Text] The GDR newspaper market, with the enormous changes it experienced after the political turnabout, has become the topic of interesting observations in many places. At the Karl Marx University Department of



Journalism in Leipzig a team of scientists and students started in January 1990 to research new journalistic trends in the GDR. The research project, and some of its first-phase conclusions applying to January 1990, are described below with requisite brevity. Interested readers are referred to the detailed conclusions presented in "Diskurs," Leipziger Hefte fuer Kommunikationswissenschaft und Journalistik [Leipzig Brochures for the Study of Communications and Journalism], February 1990.

By the time this article will appear in the NEUE DEUTSCHE PRESSE [NDP] the Department of Journalism will already have the end of April 1990 results of a subsequent phase, which will also be reported in this column at a future time.

"The GDR Press Scene" research project is pursuing two objectives in 1990:

One is to determine which new newspapers, periodicals, magazines, etc., editorially controlled from within the GDR, are now enriching GDR's journalistic scene. However, interest is not confined to press-related statistics (title of publication, publisher, circulation and so on) but also encompasses for each publication a profile of the specific topics treated, the journalistic methodology employed and the creative aspects of each paper's profile.

Another objective is to observe closely the newly-emerging profile of the 39 (38 as of 1 Mar 90) established GDR dailies.

The research methodology employed asks editors to respond to a standardized questionnaire—an effort for which we still request the indulgent cooperation of editorial staff managers—and also calls for a detailed content analysis of the newspapers. It should be noted that only those new GDR newspapers are included whose editorial content is produced entirely, or largely, by an editorial staff within the GDR even if they are technically printed by an FRG publisher. Thus, GDR papers which appear in border areas as GDR editions (such as the SACHSENPOST, VOGTLANDPOST, and THUERINGERPOST editions of the FRANKENPOST) are excluded. While these and other GDR papers will still be included in a "newspaper map" of specific regions, to illustrate the competitive environment in which newspapers appear, they are not considered part of the GDR press scene. The numerous, now-emerging advertising papers are also excluded from our study.

Selecting January 1990 as the time for the first study phase seemed appropriate because it coincided with the appearance of the first significant changes in the press scene. The established dailies started recognizable efforts to help citizens develop democratic attitudes and convictions by providing them with multifaceted and accurate information. Between 15 January and 22 January all 14 SED/PDS [Socialist Unity Party of Germany/Party of Democratic Socialism] bezirk papers severed their ties to the publisher and called themselves independent dailies.

After three new Mecklenburg newspapers, already affiliated with democratic groups and parties, appeared in December 1989, a significant increase in new publications also occurred in other parts of the country. The very fact that something new was being created everywhere was sufficient reason to look at these papers with interest and to preserve them for a subsequent detailed scientific analysis and for a history of journalism.

Thus, the objective of the January 1990 questionnaire was to document the changes which established daily newspapers experienced since the political turnabout. Of particular interest were:

- The relationship between publisher and editorial staff;
- the effects of political change on the new profile of the paper;
- The awareness of the editorial staff of the readers' political opinions and their expectations with regard to the newspaper;
- the opportunities the respective paper provided new political groups and parties to introduce themselves;
- the editor in chief system and the democratic operations of the editorial staff;
- the way journalistic planning was accomplished under prevailing conditions;
- the way circulation developed after the political turnabout;
- the financing of the paper and anticipated related developments.

The January questions for the newly-emerged publications related initially to the frequency of their publication, to their publishers, to their circulation and distribution and also to the internal working conditions of the editorial staff.

#### Changes in Publisher-Editorial Staff Relationship

Of the 39 established GDR dailies that existed in January 1990 (circulation about 10 million) 33 were published by political parties before the political turnabout:

CDU [Christian Democratic Union—one supraregional and five regional dailies; DBD [Democratic Peasant Party of Germany]—one supraregional daily; LDPD [Liberal Democratic Party of Germany]—one supraregional and four regional dailies; NDPD [National Democratic Party of Germany]—one supraregional and five regional dailies; SED—one supraregional and 14 regional dailies.

After the political upheaval the following disassociated themselves from their publishers:

- four CDU dailies;
- one LDPD/LDP daily;
- five NDPD dailies;
- 14 SED/PDS dailies.

The strong desire of editors to be free of their party-affiliated publishers was caused by the tight control

publishers exercised over their papers and editors. Therefore, the editors questioned gave strictly party-oriented organs little chance for the future and explained that one could well identify with a party's program and ideology without accepting structural ties and the party's interference in newspaper work.

At time of the survey the new publisher of the now-independent dailies was generally the same publishing house which had previously printed the paper. The head of the publishing house, usually a member of the editorial policy board, exerted influence over commercial matters but hardly ever over the paper's contents. There can be no question that the position and power of the publishing house or its director will grow in relation to the extent that the publishing house must establish its financial independence and role in a free market economy. Many publishers will not be able to manage without accepting foreign capital. The recently earned political independence of journalists may quickly disappear again for economic reasons.

#### **New Headings—New Objectives**

The newspaper reader was able to note the changed relationship to the publisher by following the changes in the paper's headings. These changes rarely involved the name of the paper since so far only five papers have changed their names. The new objectives are rather indicated by the subheadings. Before the political upheaval these papers had been the "leadership organs" of the party or organization they represented; then they first became the "newspaper of the entire party" and shortly thereafter they called themselves "socialist dailies." Now they call themselves "independent dailies."

All editors explained the new political self-image to their readers. One can discern what they oppose: tutelage by a publisher; restrictive party views; the old ways of thinking. What they support is initially quite equivocal: the interests of citizens, their right to well-balanced comprehensive information, regional interests and local matters....

#### **The "Internal" Transition**

Our study set itself the goal to go beyond tracing the outlines of the changing press scene and, therefore, performed a relatively detailed analysis of the qualitative changes with regard to content and methodology which came about as a result of radically new editorial objectives.

Since our January questionnaire was also supposed to serve as the basis for subsequent phases of the research, a number of problems were already addressed which will become increasingly important during the course of the year but which had not yet clearly emerged at the time of the initial survey (economic questions and journalistic topics relating thereto in conjunction with growing competitive pressures and the loss of subsidies; the readjustment of the publisher and the editorial staff to the new situation, etc.).

Subsequent research—corresponding to the survey—will include a focussed content analyses of actual changes.

Even without such a penetrating analysis of newspapers, the observer of the press scene at the end of January could see a basic rejection of previously applied principles and ways of doing things. Journalistic principles that relate to content, methods, and design of former profiling concepts are mostly nonsense. The struggle for a new profile—usually without adequate conceptual preparation—clearly shows signs of spontaneity and improvisation. But initial experiences can nevertheless be recognized and generalized.

The most significant result is the distinct substantive political differentiation of the information offered by newspapers, a trend which constitutes a radical breach with the formerly prescribed uniformity. As publishers literally acquired real power overnight, ideological differences (corresponding to newly defined social goals) are also beginning to be clearly apparent in newspapers. The former coalition parties' disavowal of the practice of togetherness; their internal conversion to political opponents and their involvement in the election campaign are also reflected by the sharp delineation and polarization of the informational and substantive views conveyed by their press organs. The fact that one must still pay for gaining experience; that professional ethics are sometimes violated; and that, consequently, the newly-won freedom of the press is not yet being practiced with perfection is natural at a time when all state-controls have just been abolished and new legislation relating to the press is still being drafted.

The reasons for the substantive and methodological developments of newspapers can be found primarily in the social changes that occurred within the area of circulation among the groups targeted for readership and also in the way publishers and editorial staffs adapted to this situation.

#### **Developing a Readership**

Here the survey shows a variety of results. While the majority of the sample wants the paper to address the same public as before—and, therefore, interpreted and answered the questions merely in quantitative terms—others already anticipate and consider future cut-throat competition (especially for supraregional papers) in their planning concepts. The beginning trend toward independent newspapers—already accomplished to a large extent by former bezirk papers—also leads to other considerations. Thus, the focus should shift more and more to those readers who identify with the paper not for party-political reasons but because its basic orientation (Christian-humanist, liberal, socialist, etc.) corresponds to their own inner convictions. Only a few papers are considering such far-reaching changes as, for instance, expanding their area of circulation.

In January editors had, at best, some initial confirmed indications about readers' interests and expectations. A number of papers questioned their readers and some of

them published a profile of the responses. The lack of sociological insights could be noted for all those surveyed. Insights into reader attitudes based on an analysis of reader mail are, on the other hand, quite comprehensive; there was, after all, an enormous increase in letters received (300 to 2,000 percent more than in June 1989). A considerable political awareness is being noted and many readers are also increasingly involved with a multitude of issues. However, most letters are not intended for the newspaper itself but increasingly used by readers as a means to insert their views about specific issues into the public debate. Because of this trend almost all papers are devoting a proportionally larger number of columns, and even entire pages, to thematic letters to the editor.

### Content and Method-Related Profiling Trends

Editorial staffs unanimously note a shift in contents from former practices: Current reader interests clearly dictate an emphasis on domestic political issues; on meeting the real need to debate current issues and dealing with the political priorities of the day in connection with the election campaign. The fact that important foreign information suffers by comparison is not regarded as an acceptable permanent condition.

Regional newspapers in particular are increasing their coverage of local political issues, thus responding to real pressures to adjust their profile to fill "gaps in the market."

Significant is the obvious decrease in economic reports, which used to receive preferential coverage and placement, and the consistent change in content from "success stories" to reporting and analyzing problem areas. The political-economic statements of respective election programs receiving support at the time are also discussed and emphasized.

The complicated presentation of topics calling for political decisionmaking tends to create pages which are devoted to a variety of subjects; "pure" departmental pages are clearly on the decline.

These new thematic profiles, though still in flux, also affect the structure of editorial staffs in several ways. Departments are generally larger and better equipped to handle the requirements of daily operations and thematically complex reportage.

Most departments have been granted greater authority to make decisions. Although all papers are being run in accordance with the editor in chief concept, decentralized planning and departmental authority, for instance, are relatively secure and already institutionalized for some editorial staffs by the way bylaws have been drafted. The growing diversity of opinions, expressed primarily in signed commentaries, must be emphasized.

### Sales Competition Described

90GE0131B East Berlin WOCHENPOST in German  
11 May 90 p 4

[Article by Christian Hoebbel: "Competition at the Subway Station"]

[Text] Hannelore von Zobelitz is still without clients early on a Friday morning at 0330 at the end of April. The newsstand is already lit although it won't open for another one-and-one-half hours. The daily newspapers were just delivered. The trains are not yet running—once in a while a car will pass or a night bus. It is drizzling on a gloomy Berlin night. Some people have not yet gone to bed, others must already rise and shine.

The location is ideal for selling papers. Six streets intersect, trains run in all directions. Many people get on or off on their way to work or when going home or they transfer—all must pass the newsstand. There is more to be seen than the subway's "A" train that surfaces here into daylight.

The newspaper vendor is surrounded by many bundled packages full of printed material from both German states. She needs until 0500 to prepare the newsstand for the morning rush. In the past she only had to figure on one hour at most. "But in recent weeks and months about 30 publications from the FRG and 10 local ones have been added," she explains. Whereas Western papers in the past were only sold elsewhere, together with butter or soap or liquor, they are now also sold here. A total of 40 newly printed papers and journals arrived on this day.

The 50-year-old woman cannot relax when starting the day. All newly delivered papers have to be counted since a copy is often missing. "Maybe somebody pinched it on the way because it had an interesting article," she mused. "The bundles of a hundred are only loosely tied." Missing are 14 BERLINER ZEITUNG copies. That is 500 minus 14. The vendor has to make out a loss report next day if the cause remains unknown. One BERLINER ZEITUNG is very crumpled. "Happens often—I wouldn't want to sell it; so I'll buy it myself." How many copies can a vendor afford on her meager salary?

The 300 (Western) "BZ" [Berliner Zeitung] are all there and physically in very good shape; they are encased in transparent plastic wrapping. The count continues: 100 copies of NEUES DEUTSCHLAND; 10 SUEDEUTSCHE [ZEITUNG]... There seems to be a chummy German-German unity at the newsstand. However, a large percentage of the local socialist and independent newspapers is immediately assigned to the pile which will be returned next day—unread and unsalable—to the main post office as waste paper. "After all, I know how many of them I can sell. Of some papers, such as BERLINER [ZEITUNG], we would like to have more. Every area has a distinct sales pattern. Here, for instance, Friday is always a slow day. But they send me the same number as on other days anyway. It takes weeks before

requests for changes are honored. It would also be nice if one were able to order more copies during the course of the day." The German Post Office must adopt this type of flexibility if it wants to remain in the business of selling newspapers. One can see again and again that papers are sold out at one location while another has a surplus.

At 0411 a dull crash is heard next to the newsstand. A Trabant has hit a radio-dispatched taxicab on the wet pavement. The police arrive a few minutes later. Good customers get a topical report from their newspaper vendor.

"This newsstand is much too small," the vendor complains, "how can one offer equal billing to everything? Only the paper headings can be displayed. Clients are not used to that and can't take things in at a glance. I can only give one piece of advice: ask questions. The ministry recommends that we place the GDR material to the right and the FRG material to the left but that doesn't work well, because then I would have to jump back and forth continuously to pick something up. I want to have the most popular items close to me."

After the papers are counted and displayed, subscriptions are sorted. What others have delivered to their mailboxes has been ordered here by 14 people—an old but little-known service of the German Post Office. Not everything that is retrieved from under the counter—to the annoyance of some clients—is "kowtow" material. "In the meantime," informs Frau von Zobelitz, "we were told by the Ministry for Post and Telecommunications to do something that, until recently, was strictly forbidden: To save one or the other item for clients. We were also told to be nice and friendly at all times in order to keep our customers—as if I had been unfriendly before."

GDR publications, which used to be so popular, are no longer reserved. What had been a shortage is now a surplus. Next to the door are 200 copies of WOCHENPOST which will probably become waste paper. The same number of WOCHENPOST copies have been sold since Wednesday, the Berlin distribution day. Today, a Friday, there will probably be no more sales. Three copies are sold over the counter this morning. The purchasers ask for them without conviction, as if assuming that the WOCHENPOST is no longer available.

At 0450 Hannelore von Zobelitz has finished her preparations. It is not yet time to open up, but since five customers are standing outside she does. "Good morning." "Good morning, BZ and BERLINER please." "Two marks, thank you." "Have a nice weekend." That's how it goes almost without interruption—give and take. The time of long lines is gone. "I always used to hate Wednesday mornings when the FF DABEL and the WOCHENPOST were handed out rather than sold. After half an hour or an hour I had to say: no more. Reactions of those who missed out were predictable."

At 0510 a young woman sets herself up on the other side of the subway station entrance. She sells BILD ZEITUNG, the BZ and other "Springer" publications directly out of their plastic wrappings. It is now a little quieter at the newsstand. "I would like to shoo her away. She even said to me that our newsstand would have to be closed because it is competition—such nerve." The newspaper vendor winks at the itinerant vendor who brings her a BILD; "for my colleague." The newsstand doesn't carry this paper.

At 0640 a young man offers the TAZ [DIE TAGESZEITUNG] close-by. The German Post Office has lost its monopoly over the newspaper business. The market place leads to new requirements and a monopoly results in dictated sales prices. For each mark of WOCHENPOST sales, for instance, the German Post Office receives 27 pfennigs. That is 15 pfennigs more than before—without offering anything different.

Frau von Zobelitz knows many of her customers. That man who only buys NEUES DEUTSCHLAND every day from Monday to Friday and puts down his money without a word of greeting, just like the sole customer for the BAUERNECHO. Even the serialized memoirs of Beate Uhse did not increase the latter's circulation and the remaining four copies are usually returned.

"TAZ readers are very young; they used to read JUNGE WELT. They look more colorful, crazier and more individualistic than other young people. Sometimes I make a mistake and want to give a TAZ to someone who really wants to buy NEUES DEUTSCHLAND." Pictures from a newsstand window.

By 0730 the "Springer-press" lady has left and the BZ is selling better again.

"The price of newspapers—that is all anybody talks about these days. A pensioner, a regular client of mine, told me that she could not afford as many papers as before. Nobody will raise her pension." Turnover has recently tripled.

At 0900 a young married couple leafs through a magazine for travel adventures. He says to her: "Adventures? We don't need that on vacation too" and returns the magazine. After the customers left the vendor complains: "First they finger everything and then buy nothing." She knows that in Western newspaper stores it is customary to browse for hours.

About 1100 a colleague arrives to relieve her. The last copies of BERLINER ZEITUNG had just been sold; yesterday they had already been sold by 1000 and the day before by 0800. It is a dull Friday. Rain sweeps the Schoenhauser Allee. At home Frau von Zobelitz will first

brew herself a cup of strong coffee, put up her feet and then read in peace. Readers have an advantage, they can choose their papers.

### Thuringian Press Scene Surveyed

90GE0131C Bonn RHEINISCHER MERKUR/  
CHRIST UND WELT in German 4 May 90 p 10

[Article by Peter Turi: "On An Unlimited Course of Expansion"]

[Text] Thuringia, located in the center of about-to-be united Germany, is becoming a battleground for the media. West German publishers—with Carl-Wilhelm Busse, an aggressive Catholic from Bielefeld, in the lead—are expanding across the border.

Office space in Eisenach is beginning to be scarce. West German newspaper publishers have established themselves in this small West Thuringian town of 60,000 souls at the foot of the Wartburg to conquer new markets from the "Gate to Thuringia." On the second floor of a half-timbered house, full of nooks and crannies, on Alexander Puschkin street the EISENACHER TAGESPOST has set up its offices. Since 1 March two editors, two volunteers, and a handful of publishing house employees are preparing copy, pictures, and advertisements every day.

A messenger delivers the material to the Hessian town of Herleshausen, a distance of 10 kilometers, where the publishing house has set up a technical room from which the material is transmitted daily to Bielefeld. At night trucks, loaded with newly-printed papers, trek eastward.

A newspaper with the same name had already existed before World War II; it was stopped by the Nazis and not revived by the communists. Even today the house of the old publishing firm is still adorned by the lettering "EISENACHER TAGESPOST," only the last "s" has dropped out. The paper is printed in Bielefeld, barely 200 kilometers west of Eisenach. Here Carl-Wilhelm Busse, publisher of the WESTFALEN-BLATT, remembers that his publishing house before the war had owned three titles on what is now GDR territory. Since then Busse has been creating new papers in the GDR.

The publisher wants to "cover all of Thuringia with seven or eight local papers," said Michael Best, the publishing house manager. The EISENACHER TAGESPOST was soon joined by the ERFURTER TAGESPOST and the EICHSFELDER TAGESPOST; Eichsfeld is the region with the highest concentration of Catholics in the entire GDR. Two more local editions started in Thuringia on 3 April: the GÖTHAER TAGESPOST and the WEIMARER TAGESPOST were delivered to newsstands and cost one mark (East).

Business is good. More than 60,000 copies are currently being printed every day and most of them find their way to a reader. More than 6,000 subscriptions have already

been recorded. "We have started our own classic distribution system," says Best; it is cheaper than that of the Post Office which charges a sales commission of up to 40 percent.

The next expansion phase is planned for the middle of May: a kreis editorial staff will then begin its work in Schmalkalden. The THUERINGER TAGESPOST, subtitled "A Newspaper For the Werra Valley," will furnish local information to the towns of Bad Salzungen and Meiningen. Hans Hoffmeister, chief of operations at the WESTFALEN-BLATT and charged with setting up a TAGESPOST editorial staff, still has trouble finding suitable editors in the GDR. "They understand dialectic materialism better than journalism."

The advertising business, on the other hand, is slowly growing. Business is good for personal classified advertisements and for promoting West German border-region retail stores. GDR enterprises, however, are somewhat reluctant to advertise. "They are not used to handling their own advertising since it was all taken care of by the combines." Newly trained advertising agents from the GDR are trying to interest their compatriots in advertising in the TAGESPOST with some initial success. Once in a while a drug store places an ad or a travel agency promotes the popular Paris trips.

"At the moment we trying to acquire a building site to set up a proper publishing operation with print and typesetting shops," explains Manager Best. Incorporation as a GmbH [corporation with limited liability] with a GDR partner was applied for at the Erfurt registry court on 12 March. The Bielefeld people expect to suffer start-up losses up to M5 million for the first two years. A large chunk for a publishing house with an annual turnover of M160 million and a yield of barely three percent.

Moreover, the Bielefeld people are not the only ones who want to operate politically independent newspapers in Thuringia. West German publishers are in good position. Since 1 April GDR newspapers are no longer being subsidized by the parties. Therefore, they had to raise their prices sharply. Most papers now cost 55 pfennig instead of 15 pfennig. As a result GDR citizens form lines at post offices to cancel their subscriptions. Postal Minister Klaus Wolf reported 3.6 million cancellations even before the price increase became effective.

Publisher Dietrich Batz, chairman of the Regionalpresse, estimates that in future only 5.5 million copies will be sold annually in the GDR instead of the former 9.8 million. The chances for papers from Western publishers are good—they are better produced, more colorful, and more modern. Besides, most GDR papers are still tainted by their former collaboration with the SED [Socialist Unity Party of Germany] regime.

In any case, in Eisenach a competitor is located only a few blocks from the EISENACHER TAGESPOST. In his office in the "Haus der Dienste" [House of Services] Theo Mahr edits the weekly EISENACHER PRESSE, an

adjunct edition of the OBERHESSISCHE PRESSE in Marburg. After the border opened the latter's manager had the idea to take a greater interest in Marburg's twin city situated about 150 kilometers to the east.

Circulation increased continuously from an initial 6,000 to today's 25,000 copies; and all of them were sold stated to Theo Mahr. Whether the paper will survive for long is quite doubtful. In Eisenach, with its 60,000 residents, there are now half a dozen weekly and daily papers with regional subscriptions.

Also looking at the Thuringian border region is the publisher of the HESSISCH-NIEDERSAECHSISCHEN ALLGEMEINEN (HNA) in Kassel. Since mid-February the HNA-MITTELDEUTSCHE ALLGEMEINE appears daily as the "newspaper for Thuringia." It is produced and printed in Kassel and distributed in the West Thuringian border area with a circulation of 30,000.

In February the FRANKENPOST publisher in Hof added three GDR editions to his 10 local West German editions. These three—the VOGTLAND-POST, THUERINGEN-POST, and SACHSEN-POST—are supposed to cover the Vogtland and Zwickau region. The Wuerzburg "Mainpresse Richter Druck und Verlag" (MAIN POST) wants to establish DIE NEUE as a daily for Southern Thuringia and the Franconian border region.

The THUERINGER NEUE RUNDSCHAU, produced by the publisher of the HERSFELDER ZEITUNG in Bad Hersfeld, also appears in Thuringia. The paper started toward the end of February as a 16-page edition in the Suhl Bezirk for Kreis Bad Salzungen and Schmalkalden. The HERSFELDER ZEITUNG comes under the supraregional umbrella of the HNA.

A regional magazine is also entering the picture. The magazine GRENZENLOS has been sold since mid-March simultaneously in border towns of Thuringia and Hesse. Starting in June the magazine, designed to resemble an illustrated city journal, wants to start reporting on a monthly basis on German-German themes.

But GDR publishers are also not just bystanders. The former SED paper DAS VOLK, called THUERINGER ALLGEMEINE today, is negotiating with the Frankfurt publisher, the Societaetsdruckerei and the ALLGEMEINE ZEITUNG in Mainz; the THUERINGISCHE LANDESZEITUNG, formerly a paper of the LDPD [Liberal Democratic Party of Germany], is talking with the WAZ [WESTDEUTSCHE ALLGEMEINE ZEITUNG]. The battle for Thuringia is just beginning.

### FRG Dealer Invasion Sketched

90GE0131D Bonn RHEINISCHER MERKUR/  
CHRIST UND WELT in German 4 May 90 p 21

[Article by Klara Obermueller: "Before the Grand Feast"]

[Text] Ute Heide of the Gleim Bookstore in Halberstadt was really flabbergasted when she recently received 100

copies of "25 Jahre Automobil" [25 Years of the Automobile], a book she had ordered many months ago from the Leipziger Kommissions- und Grossbuchhandlung (LKG) [Leipzig Commission and Wholesale Book Dealer]. In the past she had to place such large orders with LKG, the only wholesale distributor of books in the GDR, to be sure of receiving at least two or three copies of the desired title many weeks or months later. The reason for this sudden bountiful harvest of books was LKG's need to get rid of its unsalable inventory and to make room for the flood of books arriving from the West.

However, because of the changed circumstances book dealer Ute Heide, is now seriously embarrassed by an event which last year would still have been a cause for joy. Just now, when it is important to be competitive, she—as most retail bookstores in the country—is stuck with an inventory of now largely unsalable books. Since—aside from the fact that her customers' taste has switched from books to electronic entertainment and tropical fruit—books, if in demand at all, should be of a previously unavailable type: namely light fiction, particularly detective stories, erotica, and travel guides.

Although GDR bookstores have received this type of literature for some time now in the form of so-called "teaser packages" from FRG publishers at preferential prices and delivered free of charge; closer inspection often exposes the contents of these literary care packages as last year's snow since a wide black line identifies it as merchandise returned by a Western colleague.

Despite such difficulties more than a few of the nationalized bookstore dealers, who dominate the market with a roughly 80 percent share of sales, are considering privatization or combining several businesses into one corporation. The secret best seller of the GDR book market is not a Konsalik, Mario Simmel or Uta Danella but Franz Hinze's standard work "Wie gruende ich eine Buchhandlung?" [How Do I Start a Bookstore?], which the Frankfurt Association of the German Book Trade [hereafter referred to as "Trade Association"] is now giving away to interested parties from the East. Since 5 April GDR book dealers and publishers could, moreover, avail themselves immediately of the entire service program of the West German Trade Association. By this time the wholesale dealers of Koch, Neff & Oetinger as well as Libri had opened branches in Berlin and Leipzig—either by themselves or as joint ventures. These companies are ready to ship suitable titles from GDR publishers to Western bookstores and, even more important, products of West German publishers to GDR retailers; however, a 1:3 conversion rate transforms a book immediately into a luxury item for GDR citizens.

Roland Links—until now master of Leipzig's four publishing houses of Insel, Kiepenheuer, Dieterich, and List—sees in this situation an unexpected chance for himself and his colleagues who, despite the restrictions of a market-economy, in future will probably still be able to publish more cheaply than their Western competitors.

But at this time there is probably not a single publisher in the GDR who can confidently face the future. Everybody knows that there will be massive realignments, large-scale dismissals—particularly in the overendowed readers' departments—and even many bankruptcies in the trade; but so far nobody knows who will be affected and almost all GDR publishers are, therefore, looking more or less intensively for marketing and sales opportunities in the Federal Republic in the form of corporate agreements, business partners for corporations to be formed and, in some cases, even a new owner.

And these people—who so far have had to manage mostly without electronic data processing, fax, and photocopiers and who, at best, are experienced in scrounging for paper allocations and printing capacities—are now confronted by promotional, sales, and management problems which are beyond the ken of most of them. West German publishers are glad to be of help. The *BOERSENBLATT DES DEUTSCHEN BUCHHANDELS* [German Book Trade Gazette] is currently full of offers of courses, working groups and seminars for eager GDR colleagues. At the beginning of April the board of the Frankfurt Trade Association allocated DM400,000 for additional GDR activities at its last meeting; but it is already difficult to judge what intentions are hiding behind all this munificence and helpfulness.

The contact between the two book markets, appearances and mutual reassurances notwithstanding, is more or less a one-way street which in time the West wants to use to transport not only its know-how but primarily its merchandise. To establish as firm a base as possible, even before the monetary union takes effect, West German publishers, large dealers, book-club bosses and owners of bookstore chains are advancing with such late-colonial recklessness into the East German market that qualms have even been voiced within their own ranks. Although a resolution calling for fair play toward the GDR was rejected at the Wiesbaden book dealer convention on 5-6 April, the mere fact that it was debated is an indication that the time has come to consider how a publisher from Baden-Baden, for instance, "could apply a little more tact when invading the GDR" to keep people there, say a Dresden book dealer, from feeling like "natives of a large colony."

The constituent meeting of the Leipzig Trade Association on 19 April represented undoubtedly a first prerequisite for dealing with one another on more equal terms. At that time the decision was made to defer unifying the book market until after Germany's final political reunification and to appoint a new board to be headed by Hans-Otto Lecht of the Verlag der Nation—a publishing house affiliated with the National Democratic Party of Germany—and Martin Holtermann, the querulous owner of an evangelical bookstore in Magdeburg who for a long time has been duelling with both the LKG and the Trade Association. Even predecessor Gruner granted that they had "inherited a bad situation" which also included Hans Baier, the previous, politically highly

tainted, Managing Director, whom many regard as the real "evil spirit of the Association."

The Frankfurt Trade Association welcomed this arrangement, even though it was clear that the real aim of the GDR representatives was to maintain Leipzig's status as the book-fair city and that the West's interest in the continued vitality of the GDR book trade and publishing industry was limited to its usefulness as a vehicle for expanding the West's own sphere of interest.

It is now going to be difficult for such belletristic publishers as Aufbau, Volk & Welt, Hinsdorff, and the Mitteldeutscher Verlag, who so far have relied, on the one hand, on publishing under license and, on the other hand, on the appeal of the independent and widely renowned GDR literature. They had all profited from the fact that books were scarce; that Western editions could not be sold in the GDR and that, therefore, such books as Simone de Beauvoir's "The Second Sex," last fall still had a market even though they have long since been relegated to cheap paperback editions in the West. Whether the previously state-owned Volk & Welt publishing house can survive, with its huge readers' department and staff of translators and with its emphasis on East European and non-European literature, is just as doubtful as the future of the renowned Aufbau publishing house, which will depend largely on whether its literary drawing cards will remain faithful or whether they will immediately switch their allegiance to their previous Western licensees.

The situation is different again for firms whose owners were dispossessed in the fifties and who have since established businesses in the West under the same or a similar name. These firms include Reclam, Brockhaus, Dieterich, Haack, and others. Things will not always go as smoothly as they did with Brockhaus and Reclam who opted to coexist as separate entities for the time being; nor is the situation always as unequivocal as it is for the Insel publishing house where Siegfried Unseld was able to prove that he had personally acquired an 80 percent interest at the time from Anton Kippenberg which he had registered as a precaution with the minister of culture, Stephan Keller, a few days after the turnover. Since then the manager of the publishing house, Roland Links, has been appointed trustee and is traveling widely by car, furnished by the Frankfurt parent company, to look in Switzerland and the FRG for a strong distributor and for potential partners for the Kiepenheuer publishing house, which PDS [Party of Democratic Socialism] had relinquished on 23 February and which will probably soon become a cooperative. However, the Dieterich publishing house and bookdealer, which until now was also part of the Kiepenheuer Group, will probably end up in court because—similar to the Haack case in Gotha—its former owners are making claims based on historic facts.

However, while Kiepenheuer is discussing possible ways of cooperation or partnership with Hanser and Beck and Aufbau is talking to Suhrkamp; while such an insider as

Roland Links already cautions himself and others against "being gobbled up because of sheer ignorance"; and while Bertelsmann, Heyne, Goldmann and Pawlak—the sharks of the trade—are flooding the parched "GDR book world" with cheap merchandise, the time seems right to enterprising newcomers to establish their own publishing houses. More than 200 applications are allegedly pending and four have so far succeeded: Christoph Links in Berlin with his nonfiction Links-Druck publishing house specializing in current history, psychology and ecology; the "Verlagshaus der Autoren" [Publishing House of the Authors]; the Leipziger Forum publishing house specializing in politics and "literature from below"; and also the Kontext publishing house which evolved out of the ecclesiastical resistance.

Whether the "chocolate war," which has already forced the old and established firm of Elbflorenz to give up, will be followed by a "book war" in the GDR, as claimed by an attendee of the Wiesbaden conference of book dealers, nobody can say for sure. Even more difficult is the answer to another question which concerns the very future of GDR literature—whether a literature continues to have a reason and right to exist when the courage to speak freely was based on a right in one part of Germany and displayed as a bonus in the other.

#### Changes in Rail Services Noted

90GE0139A Gera OSTTHUERINGER  
NACHRICHTEN in German 2 May 90 p 3

[Interview with Siegfried Knuepfer, president of the Erfurt German railway administration, by Steffi Terp; place and date not given: "German Railway System—Where Is It Headed?"]

[Text] [Terp] The opening of the borders in the fall of last year has posed even greater tasks for the two German railroads—the German Federal Railways (DB) and the GDR Railroad (DR). Both railroads are working together very closely in order to cope with the streams of people. What is the nature of this cooperation?

[Knuepfer] The DB and the DR have always been partners because of GDR-FRG border traffic. Excursion traffic, which has grown by leaps and bounds, was naturally a new experience for both railroads. In the period from November to December 1989 alone, 500 additional excursion trains were put into service for transborder traffic. In the first quarter of 1989 there were 34 border trains each day in the DR Railroad Directorate bezirk (Gera, Erfurt, and Suhl Bezirks). In the first quarter of 1990 there were 64, and starting in May, according to what is planned, there will be 82 trains a day between the GDR and the FRG. Beyond that, we took advantage of the past few months to develop a design for additional steps for cooperation. Our goal could be a "German railroad" with common management. We are operating in the context of this design. In the first place, it affects the service sector in passenger transport which has to adapt to the market. There are also a number of considerations in respect to adapting

freight transport to the coming market economy. We see our contribution to the unity of Germany in this.

[Terp] What does the service program consist of?

[Knuepfer] We are primarily concerned with enhancing the level of comfort in excursion trains. Being on time is a prerequisite. In the future a trained service team is to take care of the passengers on the train. We also have plans to expand the entire service sector inside the railroad stations. Hotels and services from A to Z are planned. These sectors will be administered and marketed by Mitropa [Central European Dining and Sleeping Car Corporation], a subsidiary of the railroad. The station of the future is to become a world of experience linked to the railroad.

[Terp] Are there concrete changes in this direction?

[Knuepfer] Yes, indeed. On 27 May, for the first time the Intercity (IC) train will travel from Frankfurt/Main through Thuringia to Leipzig. Everyone who has ever taken an IC appreciates the service, the comfortable ride, the dining car, the travel information over the train's radio, and the speed. Yet, for the present, because of the poor condition of the rails, our passengers will have to do without the 250 km per hour speed. Nonetheless, the IC will arrive at its destination about one and one-half hours earlier than a normal express train using this route.

[Terp] The faster and more comfortable the trip, the higher the prices will also be in the future?

[Knuepfer] The prices will be reasonable. We will require a M6 standard supplement for IC trains. In zone I, up to 300 km, passengers pay a M3 supplement for a normal express train. The IC price includes the seat ticket fee as well for those who want one.

[Terp] You spoke of essential changes in freight transport. What are the DR's plans for this?

[Knuepfer] Fast and efficient direct connections between the German economic centers, and our goals include a guaranteed transport time of 24 hours and connections to European economic centers. Our future likewise rests in partnership with road transport. New freight centers are planned, I am thinking here of the Eisenach Automobile Works.

[Terp] The DR's route system is compact, but for the most part obsolete and damaged. People also speak of a "low speed route" in the heart of Europe. Surely it will be impossible to realize the plans with this route system. How do you intend to overcome the problem?

[Knuepfer] Thuringia is currently crisscrossed by 2,200 km of DR track, and of these about 600 km are full of alkali damage. In the past two years we have laid 200 km of track. Our plan can only be for us to gradually rebuild our main rail transit lines, and naturally to open new



border crossings to the FRG. Expansion of the Probstzella/Ludwigsstadt border crossing is scheduled specifically for Gera Bezirk. From there to Saalfeld the route is to be expanded to two tracks. Some lines will also be electrified.

[Terp] Therefore, there is enough work and thus even jobs? Or?

[Knuepfer] There is enough work with the railroad, and I will stand by my word that in keeping with the protective agreement which was worked out with the union no railroad worker will lose his job. But it is also no secret that we will have to reduce the number of jobs. In my view this is not a contradiction because many railroad workers are of early retirement age. There are also retraining programs which will naturally have to be expanded, and in the future we will have to hire apprentices as required.

[Terp] What is the DR now attached to? What will its place be in the future?

[Knuepfer] Since 1 April, the DR, together with its own general directorate as an independent legal entity, has been attached to the Ministry for Transport. This involves more laws and naturally the necessity for an independent market economy which will cover costs. We must establish a totally new relation with our customers. And with an eye on the House of Europe the railroad will be very important. It is now one of the most important forces in joining the two German states together.

### Development of Rostock Harbor Outlined

90GE0138A East Berlin SEEWIRTSCHAFT  
in German Apr 90 pp 160-163

[Article by Prof. Dr. Peter Biebig, Wilhelm-Pieck University, Rostock, and Prof. Dr. Juergen Luesch, College

for Navigation, Warnemuende-Wustrow: "Thirty Years for Rostock Overseas Harbor—Problems and Perspectives"]

[Text] In 1990 the VEB [state enterprise] Ocean Harbor, Rostock, is celebrating its 30th anniversary, its overseas harbor was opened on 30 April 1990 when two general cargo berths at Pier II were put into operation. As a totally new harbor sector this overseas harbor effected rapid and efficient development and assumed a prominent place among the universal harbors in the Baltic Sea area—reason enough to praise its accomplishments. But at the same time this anniversary is cause to reflect on future tasks. This is especially true also because market conditions for GDR harbors in general and the Rostock overseas harbor in particular have shown or will show marked changes.

In particular, the altered conditions include:

- the intensified impact of the ocean-bordering location of an overseas harbor in world shipping;
- GDR economic reform;
- changes in exchange conditions in Europe (among other things, with the EC common market in 1993 and the economic reforms in neighboring countries to the east and south), and
- the economic ties between the GDR and the FRG and their impact on the interior regions of North Sea and Baltic Sea harbors.

The 30-year anniversary of the Rostock-Petersdorf overseas harbor happened economically and in respect to capacity in three stages over three decades (see Table 1):

- first expansion stage;
- intensification stage; and
- second expansion stage.

Capacity of the Rostock Overseas Harbor Between 1950 and 1989 (in millions of tons)

Year	Number of ships processed	Liquid Cargo	Bulk Material	General Cargo	Total
1950					1.3
1955		—	0.3	0.5	0.8
1960	1,400	0.1	0.2	1.1	1.4
1965	1,710	1.3	2.6	2.0	5.9
1970	2,508	3.2	4.3	2.6	10.1
1975	2,896	3.8	4.9	3.6	12.3
1980	2,731	2.6	7.8	4.9	15.3
1985	3,317	3.0	9.6	7.1	19.7
1989	4,035	3.5	10.8	6.5	20.8

The historic date, 26 October 1957, marked the beginning of the first expansion stage when ground was first broken on the agricultural land along the southern shore of Lake Breitling, and it ended in about 1969 with the

completion of the crane shop. This is where the petroleum harbor, berths 21 to 23 at Pier III, the Pier II general cargo area and a large part of the berths at Pier I came into being. The program for the harbor called for a

capacity of about 9 million tons/annum. This target size established the dimensions for all essential subsectors which are influenced by handling capacity, such as the number of berths and their technical equipment for transshipping, storage capacity, extent, and efficiency of the harbor railroad and many other essential facilities. Even the first general plan was based on this goal. This created the prerequisites for accommodating the GDR's increasing foreign trade and providing sufficient transshipping capacities in order to control "normal" peaks to meet needs. In 1968 the enterprise achieved the planned level of profitability with an annual transshipping volume of 7.5 million tons which were handled at 32 berths. This time frame also included connecting the petroleum harbor to the GDR's pipeline system via Schwedt and processing the first container trains and container service to England (all in 1968). Toward the end of the 1960's the volume for the transit partners reached almost three-quarters of a million tons, especially for the CSFR and Hungary.

#### Investment Stage

The 1970's were characterized by steadily increasing foreign trade (by 1980 it doubled to about 20 million tons), expansion of the GDR's merchant fleet (from 1.3 million dwt [deadweight tons] to almost 1.9 million dwt) and the harbor policy doctrine for minimizing foreign port transshipping to zero. This required intensive utilization of the capacities which had been created; this caused utilization values to rise on a scale which was economically inefficient. Overloading kept mounting up, and the amount of time ships lie at anchor and the freight handling times began to significantly exceed comparable international values.

This harbor policy was reinforced in mid-1972 when the government and party leadership visited the harbor. As a result of this working visit NEUES DEUTSCHLAND, on 11 July 1972 (p. 3), stated: "Thus, there is now 82.4 percent utilization of the harbor's capacity. As compared to other large harbors, which have 25- to 30-percent utilization, this represents a great achievement"(!)

The result of this for the harbor enterprise was an advantageous position economically for the first time. The plan indexes were exceeded and good profits were made. Even with excess demand it was possible to have a selection of attractive goods because of the monopoly on supply. In 1974 the harbor exceeded the 13-million ton mark. Central controls insured that the homeport function often had to be guaranteed with productive berths for the VEB DSR [German Maritime Shipping Company, Rostock] (stabilized in respect to management organization with the formation of the combine beginning 1 January 1974) and that ship acceptances for GDR foreign trade had primacy. In addition, there was the fact that the increase in bulk cargo (excluding petroleum) frequently overtaxed the railroad as the primary freight carrier which handles more than 90 percent of all interior transport. At this time it would have been

essential to expand the harbor railroad and the connecting network in order to guarantee coordinated development of the overall capacity. By 1980 bulk cargo transshipping rose to about 11 million tons, with a total volume of 15.3 million tons. Although today it is perhaps possible to judge it differently, at this time a link-up with the inland waterways would have been advantageous (see SEEWIRTSCHAFT Vol. 1, October 1989, pp 485-490). Prominent investment measures in the 1970's included:

- starting ro/ro transport in 1974;
- expanding the bulk material piers in 1976/1977;
- deepening the ocean channel in 1977; and
- link-up with the autobahn in 1978.

While transit volume had increased to almost 2 million tons by 1974, the result of the "ton ideology," underestimating services, efforts to create a works harbor function for the fleet, situations of congestion and the sometimes inadequate quality of transport to the interior was an increase in GDR foreign port transshipping and a reduction in transit volume.

#### Second Expansion Stage

The second half of the 1970's marked the beginning of intensive preparation and realization of a second expansion stage was begun which was guaranteed by national and international building and outfitting companies. The second expansion stage involved extensive expansion of capacity. In particular, this included the new grain/feed harbor (1982), the new fertilizer complex (1984), the container terminal at berth 61 (1984/85), the metal terminal (1983), dock hall 8 at berth 54 (1983) and expansion at Pier III (berth 24 in 1982 and cement in 1984). Thus, in 1985 Rostock harbor achieved a capacity which reaches almost to the 27-million ton mark. Traditional harbor policy and conventional processing organization as well as the absent flexibility in the GDR's transport system's supply capability (for logistical systems, among other things), were, of course, scarcely in a position to prevent a decline in the transit share to 0.8 million tons and increasing demands by foreign buyers for their own administration (and thus frequently choosing a foreign port). Linking Rostock with the GDR railroad's electrified traction system (1986) improved the situation with respect to transport to the interior. The "ton ideology" which was still in effect even at this stage of development had also resulted in the processing organization of all cooperating enterprises failing to keep pace with the growing demands. Attempts at EDV [electronic data processing] projects competed with traditional organizational methods and the lack of office and communication equipment. In spite of all the problems in development, Rostock harbor had transshipped 18 million tons in 1983 and 20 million tons in 1986, a commendable result which was achieved by the readiness and performance of the working people in the entire cooperating unit.

It has been three or four years that Rostock harbor's management has fully accepted the fact that the harbor can hold its own only through active market work, supplying various services in a manner which customers like. The days in which the transshipping volume alone had primacy are largely gone. The VEB Rostock Harbor provides active market work. Among others, the harbor offices in several large GDR cities, which the VEB Rostock Harbor established in 1988 as market and information centers close to the customers, are a reflection of this. Naturally, the capacity/volume ratio of the past few years contributed to this harbor policy. There is now a normal situation in respect to capacity, in which the harbor also has reserves which are typical of a harbor. Of course, these reserves are the same for the different kinds of primary goods and the various transshipping technologies. This is also true of vertically oriented partial capacities.

**Table 2. Cargo Structure of GDR Ocean Harbors in Terms of Arriving and Departing Cargo 1988 (in millions of tons)**

Groups of Cargo Types	Departing Cargo	Arriving Cargo
Containers	0.408	0.406
Metals	0.289	3.098
Wood	—	0.400
Fruits	—	0.216
Cement	0.244	—
General cargo	1.230	1.102
Bagged material/Foodstuffs	0.254	—
Bagged material/Fertilizers	0.100	—
Total general cargo	2.525	5.222
Grain	—	2.407
Feed	—	0.719
Raw sugar	—	0.235
Ores	—	3.055
Apatite	—	0.735
Coal	0.063	0.840
Salt	0.450	—
Fertilizers	3.083	—
Cement	0.429	—
Transit	—	0.586
Other	0.728	0.760
Total bulk material	4.753	9.337
Diesel fuel	1.142	—
Heating oil	1.812	—
Crude oil	—	0.001
Other	0.253	0.446
Total liquid cargo	3.207	0.447
Total	10.485	15.006

#### Directions of Economic Development

For the harbor, the issue is preparing for an array of transshipping and other kinds of services which meets the customer's own harbor market requirements, that is, concentrating on transports and customers for whom Rostock represents the efficient junction. In this connection, "transshipping records" in excess of 20 million tons are unimportant—priority goes to high efficiency and profits from services which customers like. Given today's conditions, no special justification is necessary for the fact that it is essential to establish its profile as a logistical center. This also includes comprehensive rationalization and modernization of the handling processes, with special reference to high-level availability and reliability of the facilities, a modern, computer assisted processing organization, comprehensive expansion of the range of services, creating prerequisites for locating industries which need the harbor (including duty-free customs zones) and creating a "Rostock-type" harbor profile.

In terms of priority, north-south transport naturally plays an important role for Rostock harbor. This concerns both GDR cargo from and to Scandinavia and cargo in central Europe. In this connection, an essential basic condition is expanding for all possible types of ro/ro transport. These include road- and railroad-ferry transport for freight and passengers with the necessary specialized berths, processing facilities and areas. A study of the Scandinavia-Link consortium revealed that Nordic industries anticipate a 40-percent increase in production and exchange by the year 2000. The effects will, of course, only be achieved if the transport systems (including ocean harbors) are logistical exchange systems with "just-in-time" quality. Over the short term a great deal of attention must also be paid to tourism.

Many of the world's ocean harbors have to cope with the problems of their ocean-border location. The trend in world shipping results in the fact that large bulk cargo tonnage primarily utilizes large harbors and container shipping, because of a drastic reduction in ports of call, is concentrating on less central harbors which are located on the major routes of the large oceans. Bulk cargo tonnage utilizes the ocean-bordering harbor only whenever the processing industry has been located directly in the vicinity of the harbor.

In any event, it is clear in the case of Rostock that the large overseas container lines will go at most as far as Hamburg, if not less far. Comparing the isodistances (based on airlines) between Rostock and Hamburg reveals that the 190-km curves intersect at Genthin, the 310-km curves at Wurzen and the 370-km curves at Karl-Marx-Stadt, that means that cargo south of Leipzig bound for Rostock and Hamburg covers approximately the same interior distances.

Development to date of the GDR's ocean harbors, which was accelerated on a priority basis because of the GDR's struggle for authority, today requires short-term measures for attracting cargo and suitable performance profiles as well as long-term designs for stable development of these transport junctions. Since, unless managed, cargo always seeks the most efficient route, Rostock harbor in particular must develop a handling structure which is attractive for existing and new customers. Given ocean harbor market conditions, efforts to coordinate with neighboring ocean harbors will hardly succeed.

Moreover, in connection with the economic reform in the GDR, several special tasks which must be solved are pending for Rostock harbor, including among others:

—*Clarifying institutional questions of GDR harbor management.*

These questions start with assigning responsibility for the infrastructure facilities, which normally would be administered by a state or municipal port authority and belong in the public sector. All harbor enterprises lease infrastructure sectors to develop their capacity. In terms of a market economy, it is also necessary to have conditions of competition between entrepreneurs in the same industry in the same harbor. While the existing combination of ocean-shipping enterprises in the VE KSH [Combine Maritime Traffic and Port Management] is very much at issue and the harbors were to be assigned preferably on a regional basis, in the future other enterprise combinations will have to be undertaken. For example, concentrating all cooperating units vertically at one terminal is attractive to customers, especially since there is increasing demand for logistical packages.

—*Clarifying responsibility for currency management.*

The harbor enterprise must be assigned the necessary "currency management operation" as quickly as possible.

—*Establish various computer assisted management and enterprise management systems.*

A major requirement consists in the harbor establishing a customer-usable information and communications system which can effectively serve as an interface with "plug-in function." This system must link up all cooperating units and be adaptable to the domestic and foreign logistical systems. This includes establishing a computer assisted enterprise management system at the level of the terminals (with profit center character) and the total enterprise.

—*Computer assisted projects are essential in order to assess the impacts of linking terminal capacities and for internal harbor production logistics.* These must naturally be integrated into the harbor systems.

In the interest of active marketing it is advisable to establish customer-oriented harbor statistics (this includes, among other things, systematic preparation of the flow of goods in terms of sources and flows).

—*Expanding harbor interior and foreshore logistical operations for the customers.* This is precisely where the offerings which stress specific site advantages and consider the customers' conditions must be developed very quickly.

#### Directions of Technical-Technological Development

Table 3 provides an overview of the overseas harbor's important technical facilities and equipment. Although the developments which were suggested above to meet requirements are naturally still very blurred and must be more deeply penetrated as quickly as possible, nonetheless larger technical-technological changes are unavoidable. In particular, the construction-based installations which by no means are physically worn out and which are still far from having been written off will turn out to be a problem because frequently from a technological point of view they were designed for overly short time frames. Since in part these are monolithic structures, large expenditures for reconstruction and adapting can be expected. There is an advantage in the fact that in the shipping business there is an experienced harbor planning potential of economists and technologists; this potential not only has to answer for the situation which has developed, but with limited means has created a comprehensive set of installations which made the previously mentioned services even possible.

**Table 3. Harbor Facilities of the Rostock Harbor (as of 1 January 1990)**

—Universal harbor				
—Transshipping capacity about 20 million tons				
(Liquid cargo 15 percent; bulk material 50 percent; bulk cargo 35 percent)				
—Five harbor basins with about 10 km. of wharf and 41 berths				

Table 3. Harbor Facilities of the Rostock Harbor (as of 1 January 1990) (Continued)

—Universal harbor				
—Water depth max. 13 meters (= approximately 60,000-dwt ships)				
—110 cranes up to 63 tons (including a 100-ton floating crane)				
—Approximately 5,850 employees				
Sectors	Construction dates	Transshipping capacity	Berths	Storage capacity
Petroleum harbor	1960	6.0	3	100,000 m <sup>3</sup> tanks
Grain	1981/82	3.5	3	100,000 ton silo
Fertilizer	1984	1.2	1	55,000 ton shed
Bulk material	1960/76/82	7.0	4	300,000 tons
Pier II (conventional general cargo)	1960	2.0	13	117,000 m <sup>2</sup> covered— 350,000 m <sup>2</sup> open
Pier I (bulk general cargo)	1960/83	5.9	9	[same entry as above]
Container/ro/ro	1984/85/90	2.1	3	6,000 TEU [20-foot equivalent units]
City harbor	1946	0.8	4	
Passenger dock				
Warnemuende	1960	—	1	

This collective should be in a position on a short-term basis to revise the general plan for the harbor and to derive from it an incremental program, which fits the new basic economic conditions, for reconstruction and adapting services. In all likelihood this program will have to include the following measures—with no evaluation nor claim to completeness:

- A general revision of the linkage with the road system with a substantial expansion of the advanced transport storage areas, traffic control facilities and the necessary service facilities.
- Fundamentally revising the traffic design within the harbor and expanding the facilities for ro/ro transport in all its specific types. Of primary importance here is harbor flexibility.
- Developing a meaningful design for utilization and reconstruction for Pier II.
- Critically revising and further developing the supply network.
- Creating in the infrastructure prerequisites for locating harbor-based industry.
- Designing and realizing the construction-based prerequisites for an efficient information and communications system.
- Critically revising pollution of the environment by the harbor as related to legally prescribed maximum values and, if need be, developing tasks and measures.

In this connection there has been a new assessment of the relations of the harbor to and its position in the territory. It appears necessary in the future in overall investment activity to concede primacy to longer-term, ecologically unobjectionable designs.

## HUNGARY

### OPIC Deputy Chairman Says U.S. Business Leaders Encouraged

25000736C Budapest NEPSZABADSAG in Hungarian  
14 May 90 p 3

[Article by unnamed MTI [Hungarian Telegraph Agency] reporter concerning statement of OPIC [Overseas Private Investment Corporation] Deputy Chairman James Berg: "American Businessmen Do Not Want To Fall Behind the FRG"]

[Text] Thus far the largest foreign delegation of the Overseas Private Investment Corporation [OPIC] has visited Hungary recently, and has returned home after a rather favorable experience. Two-thirds of the 24 American firms represented will soon reveal their investments and joint ventures in Hungary. U.S. Government support has already been granted for five financial and industrial projects amounting to \$35 million. This was the topic of a statement made by OPIC Deputy Chairman James Berg to the MTI [Hungarian Telegraph Agency] reporter.

OPIC is a U.S. Government institution whose task it is to support American investments overseas with loans

and with guarantees against financial and political risks. Thus far, OPIC has been functioning only in Hungary within East Europe, but it has also begun preparatory work in Poland.

[Berg] "Business leaders were greatly impressed by the fact that political and economic transformation is taking place under peaceful circumstances—this encourages confidence. Similarly, (in contrast to the rest of the East European countries,) [in Hungary] the legal framework for foreign investments and privatization have evolved already. No less significant is the fact that the factors most important from the standpoint of investors have existed in Budapest for years: American banks, public accounting firms, and law firms."

The OPIC deputy chairman announced that the delegation was able to learn uniformly from Jozsef Antall, as well as from all negotiating partners that the political parties are committed to the freedom and stimulation of foreign investments.

By summer the legislature will provide the first \$200 million for OPIC's new East European development fund. Its establishment was announced by President George Bush the other day, the OPIC deputy said. The organizers expect the fund to provide an additional \$200 million in resources beginning in 1991 for investments in Hungary and in Poland. This fund will be obtained by issuing stock.

[Berg] "We are aware of the fact that the government of the Federal Republic of Germany supports its investors in this region with many programs. The Germans are starting with many advantages," Berg stressed. "But according to what we see, American businessmen do not want to fall behind the Germans."

#### **Finance Committee Chairman Ponders Relationship With Government**

*25000736G Budapest HETI VILAGGAZDASAG  
in Hungarian 12 May 90 p 92*

[Article by Karoly Attila Soos, economist, SZDSZ [Alliance of Free Democrats] National Assembly representative, and chairman of the parliamentary Committee on the Budget, Taxation, and Finance: "No Copyright"]

[Text] The traps awaiting the National Assembly's Committee on the Budget, Taxation, and Finance are mostly identical with those awaiting the government. It will be easy to stand up for popular actions (e.g. the hasty charging of economic growth, improving the standard of living without foundations, satisfying the needs of various lobbies) or inactions which accelerate inflation and undermine the external economic balance and thus our solvency. It will have a hard time evading the tyranny of the status quo in regard to the proportions (and forms) of redistribution by the state; plainly put: to stand up and revoke unwarranted tax benefits, to reduce subsidies, and correspondingly, to reduce taxes in the interest of

stimulating improved economic performance. The committee will have difficulties in weighing the effects of financial measures on society: It is not the most fallen, most needy groups of society who possess the most efficient and capable means and institutions to protect their interests.

There is great temptation for the ruling parties to require their members in the committee to represent the government position. They may do so to the smallest detail and strictly, and their members on the committee constitute a majority. If this is the case, a significant part of the committee's work will not produce fruits. If this is not the case, the committee will recognize some of the traps at issue to a lesser, other traps to a greater extent, and will thus try to avoid these traps, just as the government will. This may be favorable altogether, provided that proper communications evolve between the committee and the government.

Along with all this one must consider that, unlike in the government, representatives of parties meet in the committee, people who did not necessarily form a coalition. The committee is the forum for the opposition critique of government policy, and the source of alternative ideas to government policy.

Apparently, on the opposition side, the Alliance of Free Democrats [SZDSZ], the Hungarian Socialist Party [MSZP], and the Association of Young Democrats [FIDESZ] will have no difficulty in the future in developing new concepts, just as they have in the past. But being in the opposition, they will have difficulty in proving—a matter which is in their fundamental interest—that they could implement those concepts if they were to become the ruling party. And if the government integrates their ideas with its own policies we must rejoice because realization of their ideas benefitted the country; on the other hand, the opposition parties' independent profile may repeatedly become questionable.

As far as the other side is concerned, thus far the Hungarian Democratic Forum [MDF]—appropriately, because there is no copyright in politics—has been very clever in integrating the ideas propounded by other parties into its own program. For example, most recently it adopted the 1947 land ownership conditions as a starting point (FKgP) [Independent Smallholders, Agricultural Workers, and Citizens Party]; grass roots ("spontaneous") privatization, provided that it is appropriately controlled (MSZP) [Hungarian Socialist Party], (SZDSZ); reduction of the inflation rate to a single digit within three years (SZDSZ); and approving rational monetary restrictions rather than criticizing fiscal terror (MSZP, SZDSZ). In a more general sense, during the past few months [the MDF] has shifted from a "middle-of-the-road" philosophy to stressing many elements of the liberal perception, to an extent that by now it compares the SZDSZ "social-liberal" at best (Jozsef Antall) to itself, the representative of liberalism.

Of all this one may hope that the acceptance of the 1947 land ownership conditions is only a semblance. And the rest? As the MDF becomes the leading force in the government it will be able to obtain the support of foreign capital which has a definite influence on Hungary's economic situation only if it realizes liberal principles instead of just voicing them. Accordingly, the big question is whether the National Assembly finance committee will become a forum for integrating liberal principles with government policies, or a forum without character, which provides liberal critique of the government policy.

## YUGOSLAVIA

### Possibility of Integration Into EC Discussed

90BA0136A Belgrade EKONOMSKA POLITIKA  
in Serbo-Croatian 14 May 90 pp 22-24

[Interview with Giorgio Rossetti, member of the European Parliament and former member of the Central Committee of the Italian Communist Party, by Ivo Ilic; place and date not given: "Strict Rules and Good Intentions; The Unequivocal Orientation of Yugoslavia Towards European Integration; New Proposals by the Commission of the EC; Support by the Government of President Markovic; Yugoslavs Must Decide on the Form of Their Own Unity and on the Most Appropriate Institutional Solutions"—first paragraph is EKONOMSKA POLITIKA introduction]

[Text] Contacts between Yugoslavia and high-ranking officials and institutions that represent various forms of association in Europe are on the rise. The diplomatic vocabulary that is in use during these meetings, of course, does not convey the explicit positions and attitudes of both parties, and additional explanations by competent interlocutors are always welcome. Mr. Giorgio Rossetti, a member of the European Parliament and a former member of the Central Committee of the Italian Communist Party [PCI], who has long been involved in relations between the European Parliament and Yugoslavia, gladly accepted an invitation to interpret for EKONOMSKA POLITIKA the position of that institution towards our country.

[Ilic] Mr. Rossetti, what is your personal role in relations between the European Parliament and Yugoslavia?

[Rossetti] I have been a member of the European Parliament since 1984, meaning that this is my second term. From the very beginning, I was concerned with foreign economic relations, and it was in this context that I devoted myself to relations with Yugoslavia in particular. That is my duty as sanctioned in the new structure of the European Parliament. For five years, I have been vice chairman of the delegation of that parliament for relations with Yugoslavia, in whose work I am still actively engaged. Naturally, within the Committee for Foreign Economic Relations we are concerned with

relations with other countries as well, but right now we are turning towards Yugoslavia.

As far as Yugoslavia is concerned, I was the rapporteur for a draft initiative by the European Parliament, which was adopted in 1988, and then I was the rapporteur for three agreements between the Community and Yugoslavia; for a trade agreement for the financial protocol, and for extension of the EC-Yugoslavia agreements to Spain and Portugal. The first two of these related to renewing agreements from 1980. This attention towards Yugoslavia comes in part from the fact that in my city, Trieste, I was in the position of privileged observer of this neighboring country. In fact, I was provincial secretary of the PCI for eight years and then regional secretary for five years. During that period, I maintained very friendly relations with many Yugoslav representatives, and I am well-acquainted with both the current and the historical Yugoslav leadership.

[Ilic] In your capacity as rapporteur for the Committee for Foreign Economic Relations, you put forth your draft resolution in Brussels on relations between the Community and the EFTA [European Free Trade Association] group. Surely you are aware of the fact that Yugoslavia has applied for admittance to EFTA. In your opinion, what effect would the possible admittance of Yugoslavia into EFTA have on relations between the EC and EFTA and, on the other hand, between the EC and Yugoslavia?

[Rossetti] I think that Yugoslavia's desire to establish ties of closer cooperation with the countries of EFTA clearly indicates its general intention to further integrate into Western Europe. Consequently, this is an unequivocal choice, a process of rapprochement that takes into account the new international and European balances and goes further than the position of equidistance that Yugoslavia maintained until only a few years ago. This position of equidistance was expressed on the one hand through Yugoslav nonalignment, and in the economic plan through the one-third proportions in foreign trade with the EC, with East European countries, and with the Third World.

[Ilic] You say "until only a few years ago." What is that relationship today?

[Rossetti] That proportion was not strictly in effect even before, it was a goal based on the political desire to avoid excessive ties with one particular sphere. The facts of the real trends in the economy and trade as well as, I think, in the political will today are leading this country towards a progressive rapprochement towards the Europe of the Community, and the stage of admittance to EFTA is the right step in this direction.

[Ilic] Just a step in this direction, or something more?

[Rossetti] You would have to know what Yugoslav leaders think about this. I know that some of them regard this step as the first stage in integrating into the EC, while perhaps others have reservations in this respect.

[Ilic] Mr. Rossetti, in November 1989 in Brussels, Federal Secretary for Foreign Affairs Loncar proposed to "the Twelve" the status of associated country for Yugoslavia. Afterwards, EC Commissioner Matutes, during a visit to Belgrade, talked about the "new policy of association," using general terms and at the same time reviving the Mediterranean option, which means placing EC-Yugoslav relations within the framework of the EC's Mediterranean policy. The European Parliament, and you yourself, propose the creation of a "European economic area," the axis of which would once again be Central-Western Europe, not the Mediterranean. Finally, Italian Minister of Foreign Affairs De Michelis, who presented the Italian government's plan for the EC presidency, spoke of "special association for countries of Eastern and Central Europe." Obviously, there is a certain reproduction of terminology here. How does the EC currently define the term "association," especially with regard to Yugoslavia?

[Rossetti] Before we look at the Yugoslav picture, I must acknowledge that there is objective confusion surrounding the use of the term "association." This can be largely attributed to the fact that Article 238 of the Treaty of Rome (the EC Treaty) does not define this concept precisely. A wide range of agreements have been effected under the term "association." The spectrum goes from a customs union, such as the EC has with Cyprus, Malta, and Turkey, to less committed relations, such as the free exchange of goods, but with the maintenance of border controls. This is the very hypothesis upon which we are working in relations with EFTA under current conditions, meaning before the beginning of negotiations on a European economic area. Accordingly, it is true that we must clearly define the concept of "association agreement." The EC Commission itself has decided in this regard to present a new proposal that will probably be blessed by, among others, the Council of Ministers. These are so-called "third-generation association agreements." Besides trade aspects, these agreements will cover general economic policy, for example scientific research and development, and then a second field of cooperation, such as protection of the human environment. Specifically, there will be approval for Yugoslavia and other countries to participate in projects that pertain to general EC programs and about which the EC itself decides. It is still unknown what the exact content of the "third-generation agreements" will be, but it is clear that there is a need to provide new answers, especially for the countries of Central and Eastern Europe that want closer ties with the EC. Answers that will not be exclusively commercial or financial support, but rather increasingly integrated cooperation in a number of policy sectors, environmental protection policy, social policy, development policy, transport policy, etc.

Yugoslavia itself has presented a proposal that in essence aspires to this type of agreement, which is currently in a phase of being defined. Accordingly, progress is being made in terms of current agreements signed in 1980 and

renewed in 1987-88. How do I interpret this step? The 1980 agreements were agreed to "sui generis" (in general), when political motivation prevailed over economic motivation. At that time, the EC approved unilateral concessions to Yugoslavia, given the difficult time that the economy of this country was undergoing after the death of President Tito. Today, Yugoslavia is proposing further integration, meaning ever-closer cooperation and responsibility in relations with the Community. At the same time, demanding greater rights, Yugoslavia is also offering firmer guarantees in its plan to open up markets, acceptance of certain laws of the market, guarantees that were not contained in the previous agreement. Thus, it seems to me that this is once again a choice moving in the direction of progressive rapprochement, the creation of conditions for a market economy similar to the economies of member-states of the EC. This is a choice that I respect and support.

The resolution recently adopted by the European Parliament, the resolution that expressed concern with regard to the events in Kosovo, also contains our support for the work of President Markovic and a call directed towards the Council of Ministers and the EC Commission that the EC provide a quick and positive response to the proposal submitted to the Community by the government of President Markovic. I am not yet aware of the results of the mission by Commissioner Matutes to Belgrade, but I can say that the fact that the commissioner used general terms could be primarily due to the fact that we still do not know what the content of new association agreements with countries of Eastern and Central Europe will be, as well as the fact that the EC has clear intentions of reforming its relations with Mediterranean countries.

The current Mediterranean policy will be replaced by a radically new policy with an entirely new strategy. This is a confidential EC document which many initiate nonetheless know about. This document has not yet led to concrete results. However, since all the agreements that the EC has with Mediterranean countries expire in 1990-91 and will have to be renewed, we face two possibilities: We can renew the old agreements as they are or we can define a new agreement of a general character with all new contents. This type of agreement will inevitably lead to greater assistance and to a policy that will no longer contain an individual approach to each country, but rather a general approach and general strategy by the EC. I believe that the circumspection of Commissioner Matutes could be explained by the fact that the situation is not yet clear. It is necessary to determine what kind of agreement offers better conditions for Yugoslavia, and subsequently Yugoslavia itself will commit itself to this or that solution. One thing is certain: Yugoslavia has always underscored its role as a European and Mediterranean country in relations with the West and, consequently, under no circumstances should it be regarded as an underestimation that Yugoslavia will still be treated as a Mediterranean country. The attention of the Community towards this country



has always been great, because Yugoslavia represents the key element in the balance of the European continent.

[Ilic] Recently, the EC approved the extension of the activities of the group of "Twenty-Four" (the OECD countries) to Yugoslavia. What exactly does this mean? A new program like the PHARE program, with very detailed elements, such as support for agriculture, alleviated access to Western markets, and in the case of Poland the establishment of a fund of U.S. \$1 billion to stabilize the zloty? Or is this just another decision in principle?

[Rossetti] The inclusion of Yugoslavia in the PHARE program is a response to a fundamental demand by Yugoslavia (I do not know whether the demand has been made formally). It must be said that the priority measures that have been approved thus far within the framework of the PHARE program continue to be addressed primarily towards the two countries that first undertook changes, Poland and Hungary. Recent measures such as the TEMPUS program for professional training of personnel and students have once again been addressed primarily towards Poland and Hungary. In recent months, the situation has changed so quickly that the people who negotiated and adopted the measures have simply not been able to make the changes, and this has led to a situation in which even today precedence is being given to these two countries. The fact that Yugoslavia is nevertheless included in the PHARE program indicates the willingness of the Community to offer strong support to Yugoslav governments in the future. In addition, it should not be forgotten that the former Yugoslav trade deficit of two billion ECU with the EC turned into a surplus a year and a half ago.

[Ilic] Thus far, you have talked about the willingness of the EC and what the EC is capable of offering Yugoslavia. However, besides respect for the laws of the market, the EC will certainly set other conditions for the further integration of Yugoslavia.

[Rossetti] There are conditions that we, the European Parliament, set. These are general conditions. The EC expects Yugoslavia to commit itself with greater determination to the laws of the market. Naturally, this does not mean unrestrained neo-liberalism, but rather respect for certain laws. Thus, political pluralism, respect for the development of democracy with a multiparty political scene. The existence of the rule-of-law state, respect for human rights, these are the parameters on the basis of which we determine the level of our support for these countries. It was precisely for this reason that we showed particular concern in following the state of emergency in Kosovo, accompanied by measures that, to be sure, made the political situation alarming in one part of Yugoslavia, but with consequences for the entire country. Today, I am deeply satisfied with the information on recent measures relating to Kosovo. First of all, the end of the state of emergency that lasted a year. Also, the decision by the Presidency to grant amnesty to more

than a hundred political prisoners, and finally, the verdict freeing Azem Vllasi and the 14 defendants. These measures restore Yugoslavia's credibility on the European and international scene. This makes it easier for all those who want to see strong support by the Community for the courageous reform measures being undertaken by the government of President Markovic. I hope that relations between the Republic of Serbia and the Province of Kosovo, and especially between the Serbian nation and the Albanian nationality, will be dominated by mutual understanding and respect, and all of Yugoslavia stands to gain from this.

[Ilic] That response ties in with a new question. Surely you know that the DEMOS coalition recently won the elections in the Republic of Slovenia and that it is now likely that it will form the new Slovenian government. This is a coalition that supports independence from Belgrade. What do you think about all of this?

[Rossetti] This is a very sensitive subject. I have a definite opinion about all of this, but I do not have adequate information on the political debate at my disposal at this time. Thus far, we have always adhered to the following rule: In the interest of averting the dissolution of Yugoslavia, it must be the Yugoslavs themselves who decide on the form of unity and on the most appropriate institutional solutions that will respect the needs and specific qualities of all its nations and nationalities. It is precisely because of this that this Parliament has always been extremely circumspect. It has never been our intention to provide guidance to anyone about how to organize their own country.

[Ilic] If I am understanding you correctly, you agree with Austrian Chancellor Vranitzky who, during a recent visit to Belgrade, said, "Austria is interested in Yugoslavia only as a whole... we welcome political pluralism while wishing that it be effected in the present-day territory."

[Rossetti] That question too is extremely delicate. It relates to the parallel development of pluralism and democracy in this country and to the new forms of relations between the republics, relations that will make it possible to give voice to autonomy that is present not only in Yugoslavia, but in other countries as well. All over Central and Eastern Europe today, we are seeing the emergence of national identity, which sometimes leads to conflicts. Its resolution cannot be found in the traditional responses that applied until recently, if at all. This is also clear in countries such as the USSR and Romania. It is understandable that this yearning to affirm independence, or national identity, is present in Yugoslavia as well, and now it is up to Yugoslavia itself to resolve this question of internal affairs peacefully. I can say that a situation involving the destabilization and collapse of Yugoslavia is in no one's interest.

[Ilic] Mr. Rossetti, I would like to know what you think about the quadrilateral initiative of the Italian government?

[Rossetti] From the very moment that it was defined, I supported it. I have supported it because for years, working in Trieste, I felt a need for relations to be as close as possible between the countries that, besides common historical traditions, also have concrete present-day and future common interests. Together with other political forces, I have always pursued this goal of strong and close cooperation with Austria, Yugoslavia, and Hungary. I might add that I have just succeeded in arranging for the Committee for Foreign Economic Relations of the European Parliament to visit Trieste and perhaps Brione in order to meet with representatives of the regional governments, members of the Alpine-Adriatic Work Community, which comprises two Hungarian districts, three Austrian Länder, two Yugoslav republics, and four Italian regions.

[Ilic] Speaking of Alpine-Adriatic, do you not think that in the newly emerging situation, in which Slovenia will have a government with entirely new orientations, Alpine-Adriatic will bring with it certain dangers?

[Rossetti] I think that all the measures and means that make it possible to develop meetings, dialogue, and knowledge of one another's countries and systems cannot help but strengthen the processes of aggregation such as those that we are talking about. In the past, the differences between Yugoslavia, Austria, Italy, and Hungary were great, but they did not prevent the development of this experience up to the current situation, in which this organization is becoming interesting even to the EC itself.

## HUNGARY

### Greens Criticize SZDSZ, Other Parties for Lack of Environmental Policy

90CH0152B Budapest BESZELO in Hungarian  
28 Apr 90 pp 26-28

[Roundtable discussion with Janos Sebeok, leader of the Vox Humana or Biosphere Party, and Green Party activists Gyongyi Mangel and Pal Zoltan Kochis; moderated by Nagy [first name not given] of the BESZELO staff; date and place of discussion not given—first paragraph is BESZELO introduction]

[Text] Amidst the major electoral contests, it went practically unnoticed that no one from the mainstream green parties has won a parliamentary seat. Admittedly, among the deputies elected from other parties there will be some who are dedicated environmentalists. Such as, say, Nandor Rott from the Christian Democrats, Zoltan Szeleczky from Forum, or Ferenc Wekler, the "atom exorcist" from Ofalu who has close ties to the SZDSZ [Alliance of Free Democrats]. Pal Dragon from the Smallholders, the principal organizer of 1988 as the "green summit year," will also be there. In other words, the new Parliament will have environmentalists among its members. But this does not alter the fact that the star of the political greens has tended to be mostly in the descendant in recent years. Back in 1988, practically everyone would have predicted a larger share of the vote for a future Green Party than the 0.37 percent it received. Yet, it was hardly the more adventurous, more fundamentalist, "more romantic" orientation, which had evolved in the meantime, that won votes away from the Green Party, the calmer, more pragmatic, "more classical" orientation. The Vox Humana or Biosphere Party's poor "vote-getters" (that is what they call their leaders) did not find even the necessary 750 signed nomination forms in their party's ballot box. To tell the truth, the "hyleaic" or "virgin-forest" party movement that Janos Sebeok, the Principal Vote-Getter and Ambassador of the Biosphere, launched from his cage in the Zoo in May of last year, differs in many respects from the conventional electoral parties. But we did not get together with Sebeok, and with Gyongyi Mangel and Pal Zoltan Kochis, two activists of the more conventional Green Party, to fume about the electoral system and the outcome of the elections. It is more important to ponder at present how it will be possible to fit the green ideology and world concept into the evolving political framework that, hopefully, will remain wholly democratic. The titles and deeds of Sebeok (he is the one without a beard on our photograph [not reproduced]) are well known throughout the biosphere, and therefore he needs no introduction. Gyongyi Mangel, a biologist, left the green faction of the TDDSZ [Scientific Workers Democratic Trade Union] to join the Green Party. She has been one of the most determined opponents of the Bos[Gabcikovo]-Nagymaros project. Pal Zoltan Kochis (the one with the big beard) is an electrical engineer and represents the "ecopax" orientation. That is what he was

doing in 1982-83 when he was active in the Dialogue Peace Group, which the police ordered to disband; and what he has continued to do in the "4-6-0" Peace Group and as editor of the ecosamizdat TULELES.

[Nagy] Let us note that at least the prospects were quite different in 1988.

[Gyongyi Mangel] Then it really seemed that the ecological movement was the strongest among the movements one could call dissident. There was a specific reason for this. The Bos-Nagymaros project was shrouded so deeply in silence that the breaking of that silence produced not just an explosion of information. The liberated energy brought the people out into the streets. And when half the country saw Parliament stand at attention and vote for the continuation of the Nagymaros barrage, it seemed that the Green Party would be formed at any moment. About two hundred of us did meet in the Pilvax Cafe, with the unconcealed intention of taking that decisive step. Yet, it did not happen there and then, which may perhaps be termed regrettable in retrospect. Perhaps we were not brave enough then to immediately take the decisive step. At that time it was already possible to think in terms of alternative organizations, but the possibility of forming a political party must have existed only at the very depth of our consciousness.

[Pal Zoltan Kochis] A contributing factor was the earlier experience that, in the last years of the Kadar regime, people were willing to join only those organizations which were protected to some extent from very brutal, arbitrary intervention by the police. That is how, in a certain sense, the Dialogue Peace Group, and later the Danube Circle and the Danube Movement, became rallying points in the 1980's. And when it became possible to become directly concerned also with political issues, rather than just with relatively neutral topics, then the people's interest understandably shifted in that direction. After all, the stake here was to change the system! Now, under a changed system, it will be much easier to handle, and in a more civilized manner, our causes: the peace movement's issues and the environmental issues as well. We are no longer forced to resort to unnecessary political fencing.

[Janos Sebeok] It is extremely regrettable, but those apparatchiks have been proven right who were saying all along that the movements were about politics, rather than about ecology. The hundreds of thousands, or most of them, were demonstrating by indirect means for a change in the system. That has been evident even in our relations with the Czechs. When, due to the phase delay, the Communists were still in power there and were building the Bos barrage, it was possible to oppose them head-on. But now that we have to fight Havel's CSFR, rather than Husak's, it is no longer so acceptable to support the cause. Nevertheless, Bos remains as timely a problem as before. It is perhaps no accident that Havel has not answered the Biosphere Party's letter in which we suggested: "Let us meet at Kiliti [Dunakiliti]!" The time has come when the world of government, governing

party, and power-sharing parties that think in terms of a monetaristic system of values—incidentally, I include here the present opposition parties—will become separate from the world of the real opposition, the green and ecological orientation that is emerging everywhere in the world, and which is dreaming of a change of systems more profound than the present change.

[Nagy] According to the usage that has spread in our country in recent years, every dissenter is being called an "alternative" [alternative-advocate]. Now, perhaps, this will change and words will again be used in their original, western meanings.

[Mangel] In the present election the people have voted to change the system. Everything else will now follow. It is not enough for parliamentary democracy to replace communist dictatorship. There must be further changes, more profound and more comprehensive ones: not only in the economy and society, but in politics as well. It now remains to be seen whether those of our friends who participated in the political struggles in recent years, and are currently active within political parties, will be able to incorporate their ecological views in the policies of their parties; or whether they will just add a plank on environmental protection to the platforms of their respective parties.

[Sebeok] I would construct the answer around the concept of a biospheric revolution. During the past 40 years we have learned that truth and reality are not the same thing. Indeed, that truth is never reality. We made very many treacherous compromises, and by now these compromises have consumed one another. Like a snake biting its own tail, the system has destroyed itself in such a way that we cannot speak of a revolution in the classical sense. But now the present civilization has formed with nature, and with the ecological truths, a relationship that is just as dictatorial and dysfunctional as the relationship that the totalitarian system had formed with society. I wonder whether this civilization might not consume itself one fine day, in the same unexpected way that the Stalinist system did? Two or three years ago, a few hundred or a few dozen people mourned at Imre Nagy's grave. Several thousand or fewer young people dared to demonstrate on 15 March. And society said that they were dreaming idealists, because nothing could change! Now, in another society, a less perceptible compromise holds that here are a few hundred or a few thousand green fanatics; what they have in mind is all very nice and very good, but the realities are different. However, the dissenter says that, yes, reality and truth can be mutually reconciled. In other words, the alternative mode of thinking always advances a certain revolution. We should also consider whether the entire green upheaval does not advance a biospheric revolution as well?

[Nagy] Then the green factions within other parties should now say outright whether or not they are advocating alternatives?

[Kochis] We do not really know what is going on within the other parties. To speak of the environment might be just an election tactic on their part. But then again, the green factions within the other parties might be strong enough to push through their own outlook. There are also certain ideological points of departure. The Christian parties, for instance, must relate to nature as the world God created. Consequently, they should be treating nature the same way as the greens are doing. This does not apply to the secular parties: They think in terms of masses, manpower, the market, and natural resources. Anyhow, a good environmental policy is essential! Even the present parties will be able to frame such a policy. The real alternative-advocates, the Green Party and the Vox Humana Party, will have to exert pressure in that direction. Just as in the FRG, where the Greens have induced every party of any significance to adopt a serious program for protecting the environment.

[Sebeok] Here I hold in my hand a BESZELO supplement containing the economic and social program of the SZDSZ. It is no secret that the program was drafted to help win the election. Every green and alternative thinker, I believe, finds it frightening that it has been possible to come out with an election program that does not pay even the customary lip service to environmental protection! And that party is not even in power as yet! That is why I contend that there is indeed need for a force that is immune to the pressures exerted by big politics and the big masses, and therefore able to say that this is truly a problem of primary importance, one that in the long run may prove to be more important than even the social question. But this is something a large party may not say. Only a green party may venture to say it.

[Mangel] According to an apt saying circulating among the greens, the earth is able to satisfy everyone's real needs, but it cannot satisfy everyone's avarice and greed. During the past two centuries, since the start of industry's development, we have become accustomed to presenting ever-newer demands, which society and the economy are able to supply. But it will be quite a shock when we realize that our elemental resources—drinking water, forests, and air—will be the first to run out. That is why we need good environmental protection, together with far-sighted ecological thinking.

[Kochis] The commencement of the Hungarian economy's modernization will also bring about developments that are favorable from the environment's viewpoint. The quality of the environment will improve once our extremely energy-intensive and material-wasting production ceases. But we must also reckon with the emergence of consumer society's aspirations in the consciousness of the people. Here, too, our lag is considerable: Simply stated, we are living badly and not enjoying it. But we must also realize that there is not much difference between the former socialist and the Western perceptions of value. As they exist, both Eastern and Western consumer societies are hostile to man! And the green party or movement must oppose consumer society

even in culture. The green party or movement must be present everywhere and intervene in everything.

[Nagy] These are lofty philosophical principles, are they not? The real situation is that the green organizations have been forced into an "extraparlimentary" position. What has to be done now?

[Sebeok] I do not wish to deprive Krasso of his livelihood and dwell in detail on the electoral system. There would be much to criticize about it, for it has practically been crafted so as to prevent the real alternative forces from gaining parliamentary seats even accidentally. Well, never mind. Let us say that on this occasion the primary change of political systems had to be ensured 100 percent. Perhaps it was slightly overensured. The Biosphere Party starts out from the principle that life itself is history's greatest minority. We perceive the biosphere as a culture that has evolved autonomously and spontaneously, in the same way that human culture has. We are not protecting the biosphere with utilitarian rhetoric; we will not abandon even those species and living organisms that might not be essential to man's survival. We firmly believe that there must be no interference in the biosphere's internal affairs, just as there must be none in the internal affairs of a cultural autonomous community. In the end a single species has forced the biosphere's multitudes, its approximately 10 million species, into a minority role, excluding them completely from power. Therefore we demand that this minority be represented in Parliament as a recognized minority. We propose that an independent ombudsman for the biosphere represent in Parliament life's long-term interests and values. If that is not possible, then we will have to initiate a referendum on this issue. But we would do so reluctantly, preferring to rely instead on the maturity of the parliamentary parties. Local elections are approaching, and they could be combined with electing an ombudsman for the biosphere. What I have in mind is not the simple coopting of an ombudsman; it would be desirable for the parties to compete for this office. By introducing the institution of an ombudsman for the biosphere, we would be ahead of the West. We would be demonstrating that the revolution in East Europe is capable of offering a qualitative alternative that differs from the already familiar solutions.

[Nagy] This exposition also contains a good measure of provocation, addressed to the Green Party.

[Mangel] We actually have not been considering whether the biosphere is or is not an autonomous culture. However, we too believe that an ombudsman of this type is necessary. Perhaps he could represent simultaneously the interests of the environment, nature, and the biosphere.

[Kochis] We could also call him the future generation's ombudsman. There is not that much difference between us.

[Sebeok] The important thing is that we must not perceive our self-definitions as unfriendly gestures. I believe

in ecumenicity. I firmly believe that we and the other green movements are linked together in an ecumenical unity that already exists and is taking shape.

[Nagy] That is a beautiful statement, and we do not need to dwell on it any longer. Could we perhaps discuss what has to be done, and the political alliances?

[Mangel] We have an entire series of practical tasks to deal with. The matter of the [Nagymaros] barrage is not yet over. We must urge that the excavation in Nagymaros be filled in, and that the Danube's rehabilitation begin. Then there is the Durdevac barrage, which is truly a small Bos-Nagymaros project. Expansion of the Paks Nuclear Power Plant must be prevented. Also in general, we must participate in formulating a new energy policy. I will not go on, because the tasks are endless!

[Kochis] The peace movement and the green movement must be combined. Or rather, they are already combined, but the situation at present is an entirely new one. For instance, END (European Nuclear Disarmament) will hold its next convention in July, and the green parties of Finland and Estonia are among its organizers. Now that the big missile confrontation is over, END has lost some of its identity. What we are now striving to do is to retain the apt abbreviation and transform the movement into European Neutral Development. We want to set off in Central Europe a big wave of neutrality that will have numerous environmental impacts.

[Nagy] With the political alliances in mind, I would like to know where to place the green parties. Do they belong to the left, the right, or the center?

[Kochis] In our party there are former dissidents, as well as former apparatchiks who have abandoned their ideology. In the old, communist sense, the former are right-wingers, and the latter are leftists. That orientation is over, although I would hesitate to say that relations within the party are harmonious. But no matter how we equivocate, the international press will call the Greens a center-left party, because that is how they are identified everywhere.

[Mangel] The conservative Christian orientation has now gained ground everywhere in East Europe. On the whole and in comparison with the conservative Christian trends, the green alternative—based on civil and human rights, humaneness, solidarity, and the ecological approach—undoubtedly tends toward the European left. But I really think that rigid categorization of the green parties is neither necessary nor meaningful.

[Sebeok] Our standpoint is that no one should be prevented from becoming a conservationist. We have already mentioned the possible greening of the Christian parties, on the basis of certain Christian traditions and the tradition established by St. Francis. The Biosphere Party, for instance, would like to maintain good relations with the Smallholders Party because the latter has placed land in the center of its attention. But if the greens do not help the Smallholders, that center of attention could be

limited to farming and to the ownership of land. We would like to see the concept of land move from its traditional, patriarchal framework and combine with ecological thinking. Personally, I think it is a mistake to force a certain political line, one that calls itself Christian-nationalist and represents the country's majority, into the anti-environmental category to where, incidentally, it is historically predestined.

[Nagy] My dear Vote-Getter, you lost me at the very end. First you scolded the SZDSZ as a party that rides roughshod over the environment. And now it turns out that the other side is explicitly predestined to destroy the environment.

[Sebeok] Almost always throughout its history, Christian philosophy has demonstrated anti-ecological characteristics. Yet, in a certain reform interpretation, it could nevertheless be a candidate for the role of the "good steward." In liberal philosophy, ecological ideas have not been incorporated in the model of the purely market economy. But now we are talking only about goals, because it is not their ecological thinking that the Christian democrats in the West are noted for, either. Therefore the liberals, the SZDSZ for instance, have just as much chance of embracing new ideas. It should be recognized that what we now have is not a real market economy: In relation to nature, it is indeed a command-directed economy. The market economy exists only within a closed, monetarist circle, and only there is it an open system. That system should be transformed into a real market economy. In other words, the damage caused to nature, to the environment, as well as the work that the ecological systems perform free of charge, should be integrated into the cost factors in pricing, and into the market conditions. Therefore I believe that the program of each and every party contains a kernel that, if properly watered, could grow into a tree.

### **Planned Drava River Barrage Said Wasteful, Inefficient**

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in Hungarian 15 Mar 90 pp 1, 15

[Interview with Professor Bela Liptak of Yale University by Ferenc P. Balogh; place and date not given: "Another River Barrage on the Drava: Billions Will Be Wasted and Wildlife Will Become Extinct"—first three paragraphs are SOMOGYORSZAG introduction]

[Text] The case of the Bos [Gabcikovo] and Nagymaros hydroelectric power projects has made big waves in politics and is not yet over. But there is already another gigantic plan for building river barrages whose price tag, by conservative estimate, will be at least around 20 billion forints. The planned project is to be built along the Drava River, near Somogy County's southern border.

We interviewed Professor Bela Liptak, the most distinguished opponent of the Nagymaros barrage. He is well-known not only in Hungary but also abroad.

Bela Liptak is now living in the United States. The 1956 revolution was a turning point in his life. Having been one of the leaders of that revolution, he escaped certain death when he fled the country, to settle eventually in the United States and to complete his university studies there. He is married (to a fellow Hungarian) and the father of two children. He heads a first-rate engineering consultancy, teaches at Yale University, and is president of the Hungarian Environmental Protection Fund and also of the World Federation of Hungarian Architects and Engineers. In response to the pleas of the environmentalists in Somogy County, he is running in the parliamentary elections. In a personal statement, he summed up one of his most important objectives as follows: "My goal is for Hungary to receive from the United States the government aid it did not get in 1956. I want to represent the interests of Somogy County and to become the conscience of environmental protection in Hungary." Foremost among his specific objectives is to have the plan to build the Drava barrages dropped.

[Balogh] Professor, could you give us some details on the barrages proposed along the Drava River?

[Liptak] What we are talking about is a joint Yugoslav-Hungarian plan that was signed by Laszlo Marothy back in February 1988. Subsequently Peter Medgyessy and Erno Kemenes also held talks on it. The plan calls for the construction of four barrages: the first one at Gyekenyes-Durdevac, and the other three at Barcs, Dravaszabolcs, and Eszek [Osijek], respectively. Hungary's share of the Durdevac barrage's cost was set at 1.91 billion forints in 1987. That does not include the costs of sewage treatment, flood control, and environmental protection, not to mention inflation that is now running at a rate of 50 percent. Thus the first barrage will burden the Hungarian state budget by at least five billion forints, even though we will be getting only 12.5 percent of the generated electricity! The second barrage, at Barcs, will require a Hungarian investment of about 20 billion forints. The estimate does not include maintenance costs, yet the costs of operating the pump stations, and of dredging and storing several million tons of toxic silt, will be high. The construction of such "lowland" power plants has been abandoned everywhere in the world, because their cost per unit of installed generating capacity is higher than for any other source of energy.

[Balogh] According to the official studies, the costs will be commensurate with the value of the generated electricity. What is your opinion of that statement?

[Liptak] The Bos-Nagymaros output would have been 1800 GWh, which is between two and three percent of our country's power demand. The Durdevac-Gyekenyes barrage's output will be 103 GWh, barely 0.2 percent of the nation's power consumption. Because the specific consumption of energy to generate electricity is five times higher in Hungary than in the countries of West Europe, what is needed at present is not the construction of new power plants, but the care and economization that private ownership will provide.

[Balogh] What specific ideas are there about transforming the Drava River's natural environment?

[Liptak] The plans call for building a barrage, several stories high, at Durdevac-Gyekenyes, which would impound the water on about 2,000 hectares, flooding the entire area as far as Murakeresztur. The section of the Drava downstream from this artificial lake would dry out, because a concrete-lined diversion canal, more than 16 km long, would carry the water to the turbines. The barrage would operate on the same principle as a toilet tank: For 18 hours a day the tank, several million cubic meters in volume, would only be filling, while merely a small proportion of the Drava's flow would be allowed to trickle through. And then when they wanted to generate a lot of electricity, all the water would be drained during the remaining six hours. This would mean that several times the Drava's natural flow would "rush down" all at once, churning up the silt, placing the barrages at risk, and suddenly raising the groundwater level.

The plan would result in turning the vicinity of Gyekenyes and Murakeresztur, on the Drava and the Mura rivers respectively, into a swamp. Meanwhile the vicinity of Berzence, Somogyudvarhely, and Belavar would dry out, requiring constant irrigation. The lowland power plant is an idea similar to the one-time plans to grow lemons or cotton in Hungary. Today, not even a Third World country would think of building such a power plant. It has the support only of the water-management experts whose livelihood depends on preparing plans. Such a plan would never have surfaced in Austria because there it is prohibited to impound third-order streams, and the Drava is definitely a stream of that order.

[Balogh] Does that mean that the forests and vegetation would die?

[Liptak] Even according to the plan, several hundred hectares of protected bottomlands would be inundated, and several thousand hectares of valuable clearings, fringing forests, and poplar stands would be destroyed. One of Hungary's largest fish stocks would die out because the concrete-lined diversion canal would cut off the river's oxygen-producing lung, the many small tributaries and backwaters. The spawn along the banks would also die. This would mean the end of a valuable spawning ground for Danube fish. The species that can be found only here—such as the veiled medusa, black perch, and Danube trout—would become extinct. According to domestic experts, the intangible value of the species within the animal community that would thus be doomed is 4.0 billion forints.

[Balogh] One would assume that certain studies have been made prior to undertaking an investment project of this magnitude. What do those studies say?

[Liptak] No one has yet prepared a geological, hydrobiological, or ecological impact study of the affected area. The amount of money that the barrage would cost could be used to build schools and kindergartens, among other things, and to modernize the dying Somogy County villages. The necessary sewage treatment plants and water-supply systems providing piped water could be built. A tourist paradise, expertly managed and in harmony with our natural resources, could also be developed. I believe that it is especially important to save the wildlife that is unique in the world. In my opinion, the public should demand that the government cancel immediately the concluded agreements regarding the river barrage. The government should apply to the World Bank for an available loan to cover restoration costs. And it should support the proposal of the Helsinki monitoring conference held in Sofia, to establish internationally protected parks along the Drava and the Danube, with the participation of the Drava's four riparian countries, and of the three countries concerned in the case of the Danube.

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